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United Nations Children's Fund
Executive Board
Second regular session 2001
10-14 December 2001
Item 7 (c) of the provisional agenda*

Status of budget implementation for UNICEF support to the special session on children and associated events

Summary

As the Special Session on Children was postponed by the General Assembly (decision 56/401 of 12 September 2001), the secretariat is presenting this second interim report to inform the Executive Board on the status of the budget implementation for UNICEF support to the Special Session and associated events. It also contains a draft decision for Executive Board approval.

1. As the Special Session on Children was postponed by the General Assembly (decision 56/401 of 12 September 2001), UNICEF is presenting this second interim report to inform the Executive Board on the status of the budget implementation and to urge to all Member States to contribute to the remaining unfunded portion.

2. By its decision 1999/12 (E/ICEF/1999/7/Rev.1), the Executive Board approved start-up funding in the amount of $2,000,000. An additional budget in the amount of $5,400,000 was approved by decision 2000/6 (E/ICEF/2000/8/Rev.1). An interim report on the use of the funds was presented to the 2001 annual session of the Executive Board in response to decision 2000/6.

3. This second interim report on the status of budget implementation also serves to reassure the Board that UNICEF could still provide adequate support to the Special Session on Children utilizing the already approved budget:

* E/ICEF/2001/12.

01-64067 (E) 301101

	(In United States dollars)
Total approved budget	7 400 000
Funds available as of September 2001	6 267 335
Expenditure and commitment as of October 2001	5 387 926
Uncommitted funds balance as of October 2001	578 238
Unfunded balance	1 132 665

4. Expenditure and commitment lines were combined to give a clear and realistic picture, as the process was suspended unexpectedly. This amounts to $5,387,926, representing some expenditures that are final, and others that remain committed and will become final at the end of the year, leaving an uncommitted balance as of October 2001 of $578,238.

5. The unfunded portion of the budget amounts to $1,132,665, or 15 per cent of the total budget.

6. As it has now been decided by the General Assembly to convene the Special Session on Children in 2002, the role of UNICEF as the substantive secretariat, and in support of the children's forum, will continue to have financial and human resources implications. Although UNICEF, as the substantive secretariat, will try its utmost to support the process and the organization of the Special Session in 2002 within the amount already approved ($7.4 million), this can only be achieved if Member States contribute to the unfunded balance of the approved budget $1,132,665.

7. UNICEF was to provide a final report on the use of the funds to the Executive Board at its annual session in 2002 (decision 2000/6). In view of the fact that the Special Session will only be convened in 2002, the secretariat is proposing to postpone the presentation of the final report on the use of the funds until the first regular Board session in 2003.

Draft recommendation

8. The Executive Director *recommends* that the Executive Board adopt the following draft recommendation on reporting on the use of the funds:

The Executive Board

1. *Decides* that in light of the Special Session on Children being postponed (General Assembly decision 56/401 of 12 September 2001) until 2002, the Executive Director will provide a final report on the use of the funds to the Executive Board at its first regular session of 2003 instead of at its annual session of 2002;

2. *Urges* that Members States contribute to the unfunded balance of $1,132,665 to ensure that UNICEF, as the substantive secretariat, can adequately support the preparations and arrangements of the Special Session and the Children's Forum.

United Nations E/ICEF/2001/AB/L.10

Economic and Social Council

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29 October 2001

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For action

United Nations Children's Fund
Executive Board
Second regular session 2001
10-14 December 2001
Item 4 of the provisional agenda*

Biennial support budget for 2002-2003

Summary

The Executive Director is presenting the biennial support budget for 2002-2003 within the harmonized format agreed upon by the United Nations Development Programme, the United Nations Population Fund and UNICEF.

The proposed gross biennial support budget totals $566.2 million and reflects a 3.8 per cent increase over the 2000-2001 support budget. The net budget for 2002-2003 is proposed to be $477.9 million, reflecting zero growth over the comparable figures for 2000-2001.

The formal decision to be made on the basis of the present document is the adoption of the draft resolution relating to the budget proposal contained in chapter III, paragraph 130.

* E/ICEF/2001/12.

01-60759 (E) 271101

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
acquis.	acquisition
admin.	administration
Admin.	Administrative
AIDS	acquired immune deficiency syndrome
ASG	Assistant Secretary-General
categ.	category
CEE	Central and Eastern Europe
CIS	Commonwealth of Independent States
CPMPs	country programme management plans
dec.	decrease
devel.	development
DFAM	Division of Financial and Administrative Management
DHR	Division of Human Resources
DOC	Division of Communication
DPP	Division of Policy and Planning
ECD	early childhood development
EMOPS	Office of Emergency Programmes
EPP	Evaluation, Policy and Planning (Division)
FLS	Financial and Logistics System
GAVI	Global Alliance for Vaccines and Immunization
GRO	regional Office for Europe in Geneva
GS	General Service
hard.	hardware
HIV	human immunodeficiency virus
HQ	headquarters
HR	human resources
ICSC	International Civil Service Commission
IMIS	Integrated Management Information System (United Nations)
Inc.	increase
incl.	including
IP	international Professional

IRC	Innocenti Research Centre
IT	information technology
ITD	Information Technology Division
Maint.	Maintenance
MTCT	mother-to-child transmission (of HIV/AIDS)
MTSP	medium-term strategic plan
N/A	not applicable
Nat.	National
NO	national officer
NP	national Professional
NY	New York
OED	Office of the Executive Director
OIA	Office of Internal Audit
OMPs	office management plans
org.	organization
oth.	other
PFO	Programme Funding Office
Prof.	Professional
PROMS	Programme Manager System
PSD	Private Sector Division
RO	regional office
SAP	Systems, Applications and Products
SITA	*Société internationale de télécommunications aéronautiques*
soft.	software
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
USG	Under-Secretary-General
VSAT	Very Small Aperture Terminal

ORGANIZATION OF THE SECRETARIAT OF UNICEF
2002 - 2003

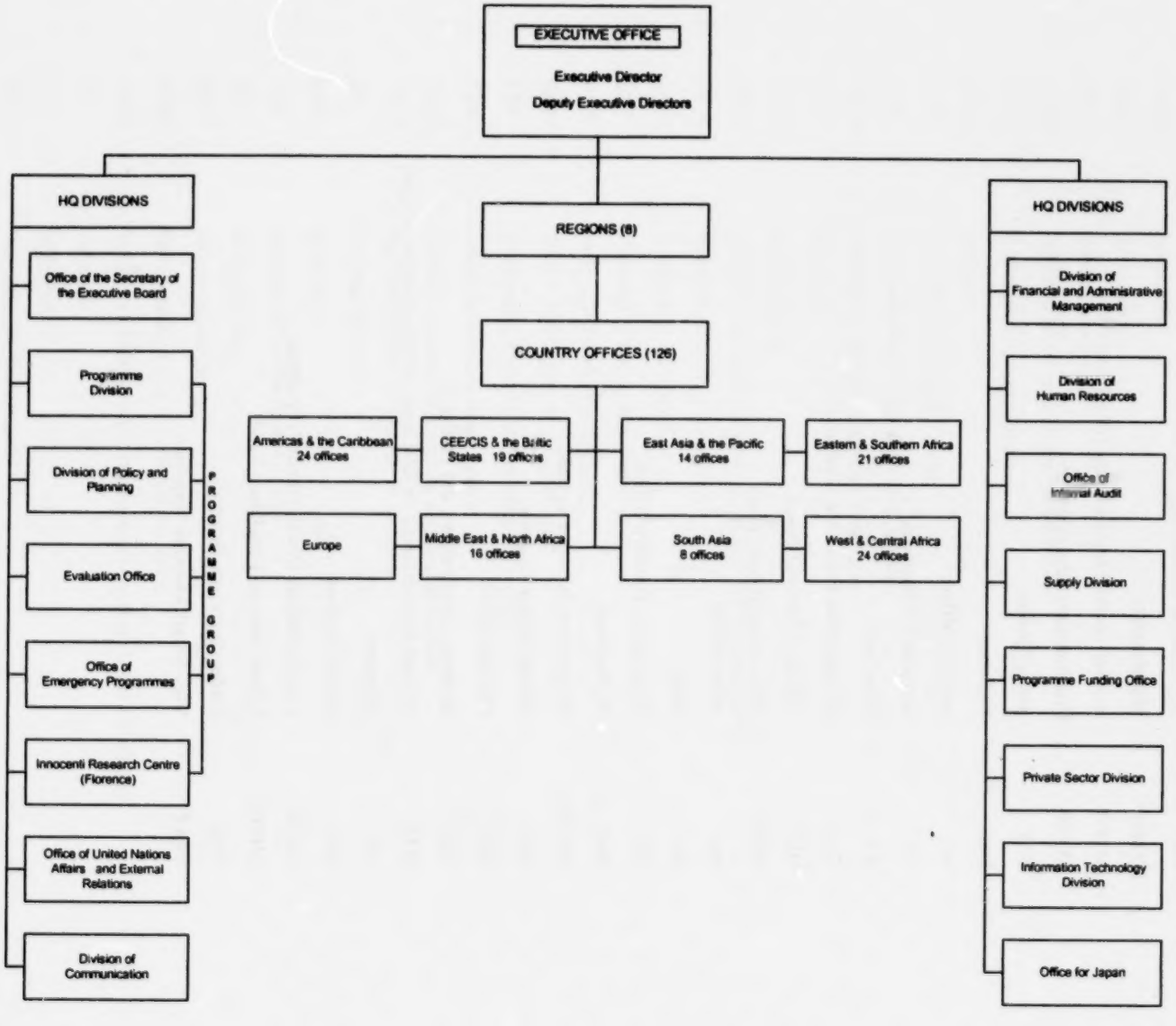
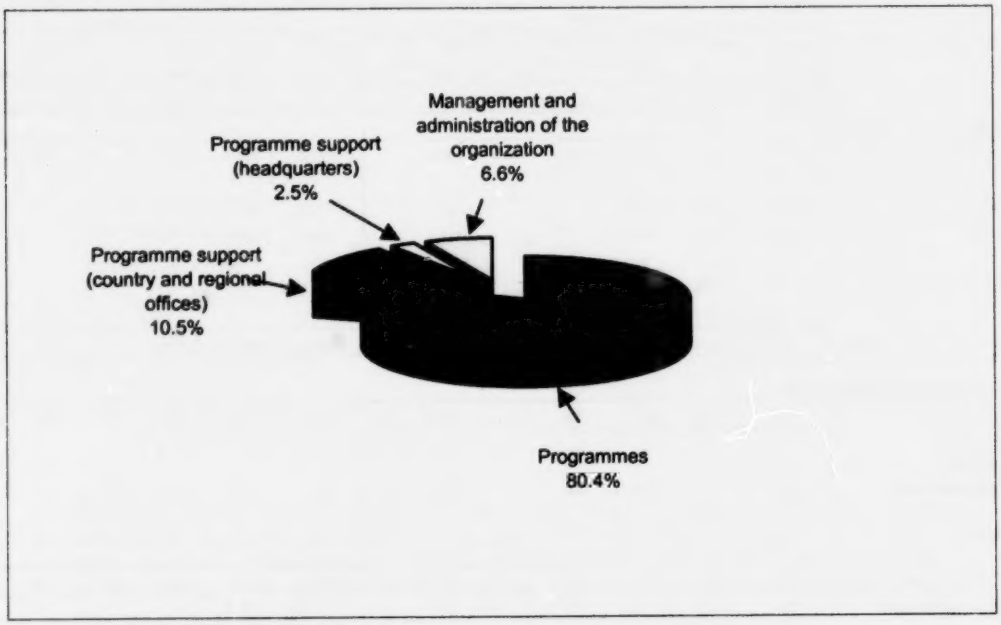


Figure A
Use of total resources, 2002-2003


Management and administration of the organization 6.6%
Programme support (headquarters) 2.5%
Programme support (country and regional offices) 10.5%
Programmes 80.4%

I. Executive summary

1. The Executive Director presents in this document the estimates for the 2002-2003 biennial support budget within the format contained in the report on the "Harmonization of budgets: UNDP, UNFPA and UNICEF"(E/ICEF/1999/AB/L.2). As approved for harmonization, the organization will limit the information in the biennial support budget document to the summary level so that Executive Board members can focus on strategic financial decision-making. However, should more detailed information be required, it will be made available upon request.

2. The support budget document is an integral part of the multi-year funding framework. Within this framework, the medium-term strategic plan (MTSP) for 2002-2005 closely guided the preparation of the support budget. The support budget is prepared to support both regular resources and other resources programmes. The financial framework given in paragraphs 3-10 below shows a resource growth of 30 per cent for programmes in the next biennium 2002-2003 as compared to the projection made in 1999 for 2000-2001; the gross biennial support budget will grow at 3.8 per cent, and a lower proportion (19.6 per cent) of total resources will fund the support budget. The budget strategy, contained in paragraphs 11-16 below, shows how UNICEF aligns the support budget to the MTSP priorities.

A. Financial framework

3. Total resources, as presented in table 1, consist of UNICEF income (regular resources and other resources) and the trust funds, with the separation of the trust funds from UNICEF income.

Table 1. Resource plan

(In millions of United States dollars)

	2000-2001							2002-2003						
	Regular resources	Other resources	Total income		Trust fund	Total resources		Regular resources	Other resources	Total income		Trust fund	Total resources	
	Amount	Amount	Amount	%	Amount	Amount	%	Amount	Amount	Amount	%	resources	Amount	%
Resources available														
Opening balance	144.0	284.0	428.0		0.0	428.0		100.0	387.0	487.0		0.0	487.0	
Income														
Governments a/	721.2	578.0	1,299.2			1,299.2		682.2	820.0	1,502.2			1,502.2	
Private sector b/	417.0	308.0	725.0			725.0		405.0	400.0	805.0			805.0	
Other c/	80.0	0.0	80.0			80.0		70.0	0.0	70.0			70.0	
Reimbursement for services d/	0.0	0.0	0.0		14.0	14.0		0.0	0.0	0.0		12.6	12.6	
Trust funds	0.0	0.0	0.0		100.0	100.0		0.0	0.0	0.0		475.0	475.0	
Total	1,362.2	1,170.0	2,532.2		114.0	2,646.2		1,257.2	1,607.0	2,864.2		487.6	3,351.8	
Use of resources - programmes and support activities														
A. Programmes	770.0	841.0	1,611.0	75.8	97.0	1,708.0	76.7	670.0	1,124.0	1,794.0	77.0	435.0	2,229.0	80.4
B. Programme support														
Country and regional offices	248.1	24.0	272.1	12.8	2.0	274.1	12.3	250.0	37.3	287.3	12.3	3.3	290.6	10.5
Headquarters	60.5	6.7	67.2	3.2	0.5	67.7	3.0	55.5	10.2	65.7	2.8	3.3	69.0	2.5
Total programme support	308.6	30.7	339.3	16.0	2.5	341.8	15.4	305.5	47.5	353.0	15.2	6.6	359.6	13.0
C. Management and admin. of org.	169.1	6.3	175.4	8.3	0.5	175.9	7.9	172.4	9.0	181.4	7.8	2.4	183.8	6.6
Total	1,247.7	878.0	2,125.7	100.0	100.0	2,225.7	100.0	1,147.9	1,180.5	2,328.4	100.0	444.0	2,772.4	100.0
Closing balance estimates g/	100.0	387.0	487.0		0.0	487.0		109.3	426.5	535.8		43.6	579.4	
Biennial support budget														
Total net budget estimates (B+C)	477.7	37.0	514.7		3.0	517.7		477.9	56.5	534.4		9.0	543.4	
Estimated income and adjustments														
Reimbursement for services	1.0	0.0	1.0		13.9	14.9		1.0	0.0	1.0		8.6	9.6	
Other resources - recovery	40.0	(37.0)	3.0		(3.0)	0.0		61.5	(56.5)	5.0		(5.0)	0.0	
Recovery for warehouse	9.0	0.0	9.0		0.0	0.0		8.0	0.0	8.0		0.0	8.0	
Government contributions towards local costs	2.0	0.0	2.0		0.0	2.0		2.0	0.0	2.0		0.0	2.0	
Refund to staff members for income taxes levied by Member States	15.8		15.8		0.0	15.8		15.8		15.8		0.0	15.8	
Subtotal	67.8	(37.0)	30.8		10.9	41.7		88.3	(56.5)	31.8		3.6	35.4	
Total gross budget estimates	545.5	0.0	545.5		13.9	559.4		566.2	0.0	566.2		12.6	578.8	

a/ The figures reflect the accounting linkage due to refund to staff members for income taxes levied by Member States and, therefore, excludes $15.8 million.

b/ Income sources and amounts related to the private sector are also included in annex IV.

c/ The types of income included are :

	2000-2001	2002-2003
Interest income	50	43
Income related to financial operation	16	16
Income related to programme operation	6	6
Income related to the budget expenditure	8	5
Currency exchange adjustment	0	
	80	70

d/ Fees received for procurement services and the administration of the trust account related to GAVI.

g/ The closing balances take into consideration the updated income and expenditure for 2000-2001 and also the changes in other assets and liability accounts.

4. The resource projection made in 1999 for 2000-2001 has been revised upward by 15 per cent from $2,234 million to $2,566 million.

Table 2. Revised resource projection, 2000-2001
(In millions of United States dollars)

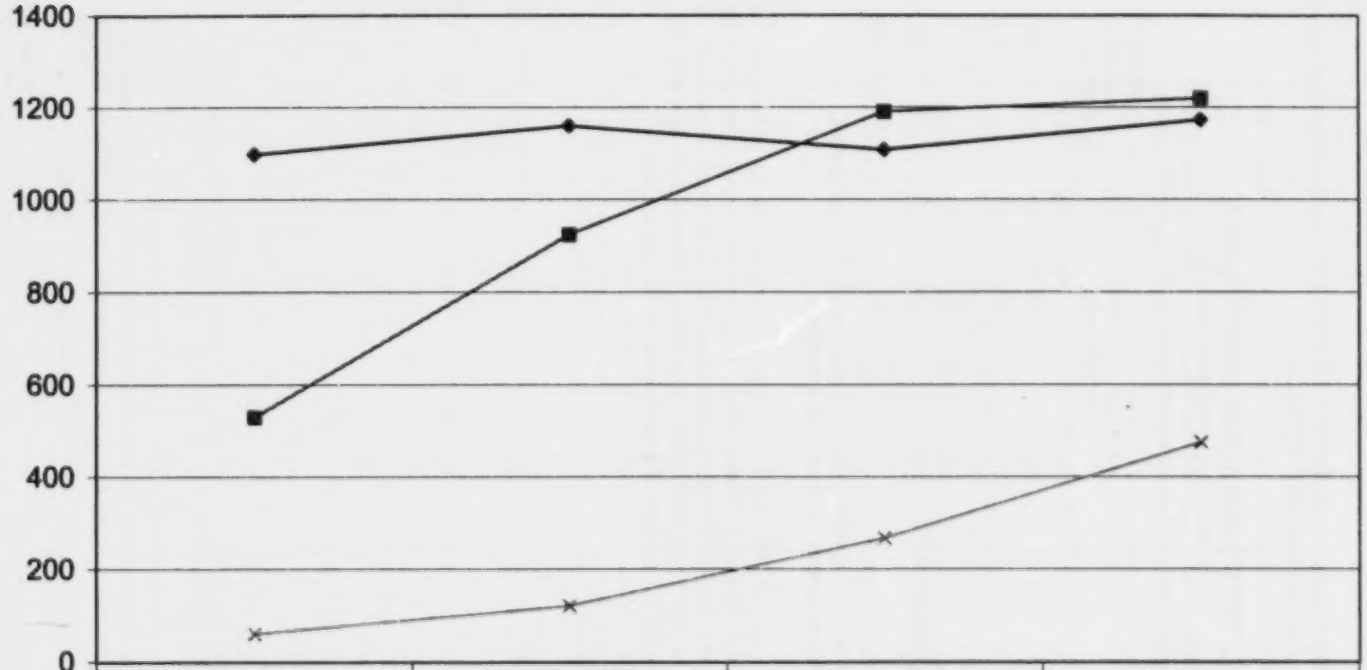
	Planned for 2000-2001	Revised projection for 2000-2001
Regular resources	1 234 a/	1 108
Other resources	886	1 191
Subtotal, income	2 120	2 299
Trust funds and reimbursements	114	267
Total resources	2 234	2 566

a/ Comprises column 1 of table 1 under resources available, less opening balance, plus adjustment for taxes of $15.8 million.

From the revised base of 2000-2001, the resource projections for 2002-2003 have been made as shown in the following chart. It shows that starting in 2000-2001, other resources have surpassed regular resources. The trust funds have more than doubled since 1998. By 2002-2003, total resources are projected to increase by 70 per cent over 1996-1997, i.e., from $1,688 million to $2,868 million.

Figure B. UNICEF resources, 1996-1997 to 2002-2003

(In millions of United States dollars)



	1996-1997 Actual	1998-1999 Actual	2000-2001 Revised	2002-2003 Projected
Regular resources	1098	1160	1108	1173
Other resources	530	924	1191	1220
subtotal				
Trust funds	60	121	267	475

5. For the biennium 2002-2003, income from the private sector for both regular resources and other resources is projected at $805 million, i.e., 11 per cent over $725 million planned for 2000-2001. Annex IV shows the private sector annual income and expenditure estimates for 2001-2003.

6. In accordance with the recommendation of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the term "special account" has been revised to "trust funds". In the resource plan, table 1, under the trust funds column, there are two lines. One is to show fees for "reimbursement for services", which includes fees for procurement services and administration of the trust account related to the Global Alliance for Vaccines and Immunization (GAVI). The other is the remaining "trust funds", which are for activities that are consistent with the UNICEF mandate but outside the programme approved by the Executive Board for UNICEF. In 2000, UNICEF joined GAVI. The trust funds projected for 2002-2003 include funds from GAVI, the Oil-for-Food programme in Iraq and projects funded by the World Bank.

7. As regular resources are not increasing, UNICEF has been particularly careful to cap the net support budget funded from regular resources. As total resources grow by 70 per cent over the four biennium from 1996-1997 to 2002-2003 (see paragraph 4 above), the gross support budget grows only at 7.4 per cent. At $477.9 million, the net support budget for 2002-2003 has been maintained at a similar level since 1996-1997. A comparison of the gross and net support budgets since 1996-1997 is presented below:

Table 3. Comparison of the gross and net support budgets since 1996-1997
(In millions of United States dollars)

	1996-1997	1998-1999	2000-2001	2002-2003
Gross support budget	527.1	527.5	545.5	566.2
Biennial percentage change		0.1%	3.4%	3.8%
Cumulative percentage change since 1996			3.5%	7.4%
Net support budget	479.9	478.9	477.7	477.9

8. As other resources increase, recovery charges also increase and are projected to be $61.5 million for 2002-2003, an increase from $40 million planned for 2000-2001. The actual recovery from other resources (including fees from the administration of trust funds) is projected to be $55 million for 2000-2001. The projected $61.5 million are based on 5 per cent for other resources and 3 per cent for trust funds such as Oil-for-Food. UNICEF will review its recovery policy in 2002 after the United Nations Joint Inspection Unit completes a system-wide study on the subject.

9. In accordance with the recommendation of ACABQ, the amount needed to refund staff members for income taxes levied by Member States will be charged to income, with the same amount credited to the biennial budget. The net budget for 2000-2001 has been reduced by an estimated $15.8 million. The same amount is included for 2002-2003 as income to the budget.

10. In summary, the resource plan shown in table 1 has three sections indicating the following:

(a) **Resources available**: Total resources available will increase by 26 per cent from $2,646 million in 2000-2001 to $3,352 million in 2002-2003;

(b) **Use of resources**: Out of the total resources, 80.4 per cent will be for programmes and 19.6 per cent for the support budget (13 per cent for programme support and 6.6 per cent for management and administration). Total resources for programmes will increase by 30 per cent, from $1,708 million projected for 2000-2001 to $2,229 million in 2002-2003. The proportion of resources for the support budget will reduce from 23.3 per cent in 2000-2001 to 19.6 per cent in 2002-2003;

(c) **Biennial support budget**: This section reconciles the biennial support budget, both the net and gross budget estimates that are being presented to the Executive Board for approval. Estimated income and adjustments to the gross budget will increase to $88.3 million for 2002-2003 from $67.8 million due to increases in recovery costs as explained in paragraph 8 above.

B. Objectives and strategy

11. The MTSP is the UNICEF organizational business plan for the period 2002-2005. It provides the framework for UNICEF work for the next four years and, therefore, drives the preparation of the present support budget for the biennium 2002-2003. The MTSP describes the organizational priorities of UNICEF over the next four years. UNICEF has identified five priority areas where it can make the biggest impact on the lives of children in support of the Millennium Declaration, the international development targets and the draft outcome document for the Special Session on Children. These organizational priorities are:

(a) Girls' education;

(b) Integrated early childhood development (ECD);

(c) Immunization Plus;

(d) Fighting HIV/AIDS;

(e) Improved protection of children from violence, exploitation, abuse and discrimination.

12. UNICEF will pursue these organizational priorities not only through programmes of cooperation, but through alliances, partnerships, advocacy, monitoring, research and policy analysis at all levels. UNICEF will use its global presence, its country programme capacity and its voice to help change the world for children. In pursuing these priorities, UNICEF will put children at the heart of every agenda and find effective ways to ensure that children's voices are heard. Following the principle of mainstreaming emergency operations, the five organizational priorities will be pursued in both regular and emergency programmes.

13. These organizational priorities have been selected not only because of their world-wide importance and potential impact on children's lives, but also because UNICEF has a comparative advantage in these areas. The UNICEF comparative advantage arises not only from its mandate as the world's premier organization for children, but from years of experience and accumulated expertise. This is

particularly the case in immunization plus, where UNICEF has been a leading agency for two decades. Other elements of the UNICEF comparative advantage include its global presence; a mandate from the General Assembly as the world's voice for children; designated responsibility from the Secretary-General to be the lead agency in the United Nations Girls' Education Initiative; a clear responsibility among the co-sponsors of the Joint United Nations Programme on HIV/AIDS for issues touching on children; and its unique position as an agency whose practical experience runs the gamut from project implementation at the community level to national and international formulation of legal, economic and social policy, as well as a lead position in ensuring that essential supplies, such as vaccines, are made readily available to children.

14. Taking into account the MTSP priorities and the broad strategies to achieve them in the context of stagnant regular resources, the UNICEF biennial support budget for 2002-2003 has been prepared in accordance with the following principles to attain a no-growth net budget:

(a) To ensure that the plan guides the budget and, therefore, focus resources and activities towards the achievement of the priority areas identified in the MTSP;

(b) To achieve improved performance and results while containing the support budget costs;

(c) To sustain the centrality and strength of field offices to carry out the programmes, and strengthen oversight and programme support from the regional offices.

15. In order to achieve these objectives, UNICEF undertook the following strategies and processes to review programmes and budgets in an integrated manner:

(a) All offices were provided with clear guidance on the preparation and review of their office management plans (OMPs) and country programme management plans (CPMPs), with the participation of staff, to prioritize the required staffing structure and financial resources within the affordable budget ceilings. Regional and headquarters offices were given indicative ceilings to contain growth, and the process of the integrated programme and budget review was used systematically at country, regional and headquarters levels to ensure that management plans provided a four-year strategic vision in support of the MTSP as well as set clear and measurable goals and targets covering the biennium 2002-2003;

(b) Headquarters location offices and divisions were asked to maintain their budgets at the same nominal level of 2000-2001, which not only required reductions to cover the mandatory increases due to inflation, but also tough choices on which priority areas to fund and offset them with reductions elsewhere. Field and regional offices were allowed to maintain their existing capacity with inflationary increases only, and were asked to undertake a prioritization exercise to find savings to fund priority areas in support of the MTSP.

16. Through discussions of the strategic options, the following areas emerged for budgetary increases and savings for the next biennium, as shown in table 4 (a more detailed explanation is provided in the relevant sections of this document):

(a) On the MTSP priority areas:

(i) Enhance the technical excellence of the headquarters programme group to provide global leadership in the formulation of programme policy and guidance, managing strategic information, and strengthening evaluation and emergency support capacities;

(ii) Reinforce the primacy of country programmes in UNICEF work by strengthening the regional offices' direct programme support and oversight role to the country offices;

(iii) Align programme focus and capacity at the country level;

(iv) Improve the content and dissemination of information concerning women and children;

(v) Focus strategic supply procurement in the areas of UNICEF comparative advantage, such as vaccines and essential drugs;

(b) On institutional support:

(i) Improve the safety and security of staff in field offices;

(ii) Strengthen essential operational functions;

(iii) Strengthen human resources in the areas of competency development in MTSP priority areas' and succession planning, with an emphasis on young professionals;

(iv) Safeguard information technology (IT) investments through improved security and archiving projects;

(v) Continue improvements in global connectivity, stabilize systems interfaces and improve systems integration through the review of business processes;

(c) Savings were achieved from:

(i) Efficiency gains and reductions through prioritization in headquarters OMPs;

(ii) Establishment of common operations services in regional and country offices and with the Private Sector Division (PSD) at headquarters locations;

(iii) Reorganization in Supply Division, including deployments from Copenhagen headquarters to regional and country offices, to improve supply planning and advisory capacity in the regions;

(iv) Reduction in staff and operating costs.

Table 4. Summary of main areas of increase/decrease

(In thousands of United States dollars)

	Volume	Cost	Total
I. 2000-2001 Net appropriation estimates			493,513.7
Less reimbursement of income taxes			(15,800.0)
Subtotal			477,713.7
II. Net inflation/currency and other staff cost adjustment			
Field offices currency adjustment		(10,954.2)	
Field offices inflation and cost adjustment for posts		15,710.6	
Headquarters offices outside NY currency adjustment		(1,786.2)	
Headquarters inflation and other cost adjustment		8,303.5	
Subtotal		11,273.7	11,273.7
III. Increases			
1. Country and regional offices			
MTSP priorities	6,300.0		
Strengthen essential operation support	4,844.1		
Security in the field offices	6,700.0		
Subtotal, increases in the field	17,844.1		
2. Headquarters			
MTSP priorities	686.0		
Global connectivity and system integration	1,928.3		
Information technology projects (net of PSD)	3,662.5		
Human resources areas	360.0		
Subtotal, increases at headquarters	6,636.8		
Subtotal, increases	24,480.9		24,480.9
IV. Decreases			
1. Decreases in the field			
Field offices - local posts	(2,664.5)		
Field offices - operation and other costs	(3,399.4)		
Subtotal, decreases in the field	(6,063.9)		
2. Decreases at headquarters			
Reorganization of programme group	(2,460.6)		
Refocusing in communications	(1,076.8)		
Supply Division reorganization	(2,946.1)		
Other reductions at headquarters	(2,551.9)		
Subtotal, decreases at headquarters	(9,035.4)		
Subtotal, decreases	(15,099.3)		(15,099.3)
V. Net change in estimated income	(20,500.0)		(20,500.0)
VI. 2002-2003 Net appropriation estimates	(11,118.4)	11,273.7	477,869.0

C. Summary of proposals

17. The gross support budget for 2002-2003 is proposed to be $566.2 million. As shown in table 5, this reflects a volume increase of $9.4 million and a cost increase of $11.3 million due to inflation and exchange rate factors. The net support budget, after deducting estimated income to the budget, will be $477.9 million, which is at a similar level as the biennium 2000-2001.

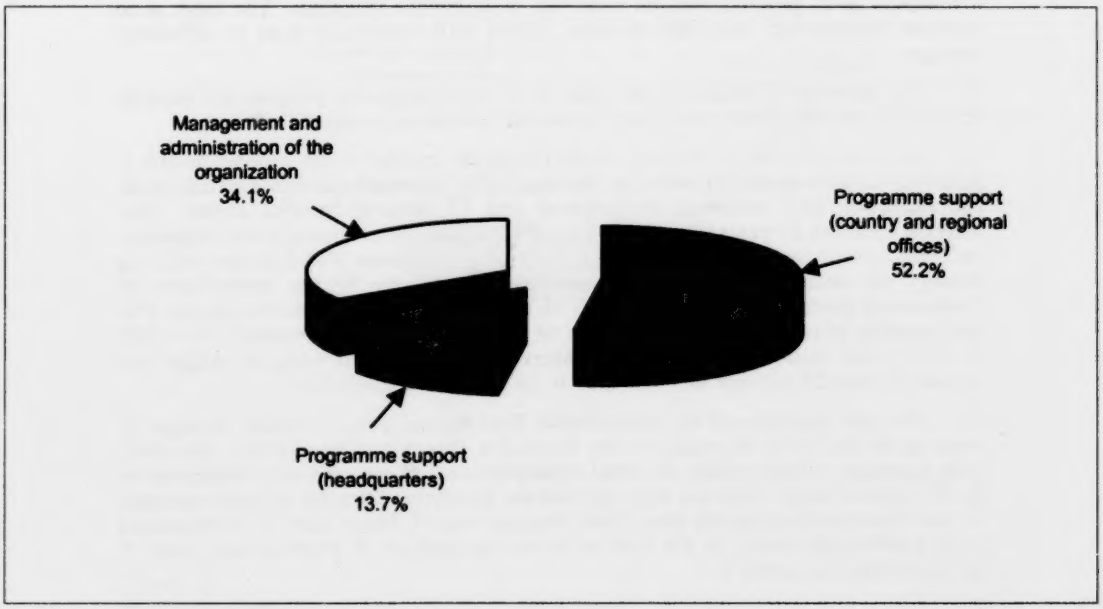
Table 5. Budget estimates by appropriation line and by location

(In thousands of United States dollars)

Gross budget estimates	2000-2001 Approved appropriations	2000-2001 % of total	Changes Volume Inc./(dec.)	Changes Volume %	Changes Cost Inc./(dec.)	Changes Cost %	2002-2003 Proposed estimates	2002-2003 % of total
By appropriation line								
Programme support								
Country and regional offices	279,116.8	51.2	11,780.2	4.2	4,756.4	1.7	295,653.4	52.2
Headquarters	79,628.4	14.6	(3,676.8)	(4.6)	1,511.3	1.9	77,462.9	13.7
Subtotal	358,745.2	65.8	8,103.4	2.3	6,267.7	1.7	373,116.3	65.9
Management and admin. of org.	186,768.5	34.2	1,278.2	0.7	5,006.0	2.7	193,052.7	34.1
TOTAL	545,513.7	100.0	9,381.6	1.7	11,273.7	2.1	566,169.0	100.0
By location								
Country offices	223,835.4	41.0	7,420.0	3.3	5,484.9	2.5	236,740.3	41.8
Regional offices	55,281.4	10.1	4,360.2	7.9	(728.5)	(1.3)	58,913.1	10.5
Headquarters a/	266,396.9	48.8	(2,398.6)	(0.9)	6,517.3	2.4	270,515.6	47.8
TOTAL	545,513.7	100.0	9,381.6	1.7	11,273.7	2.1	566,169.0	100.0
Estimated income	(67,800.0)		(20,500.0)	30.2	0.0		(88,300.0)	
Net budget estimates	477,713.7		(11,118.4)	(2.3)	11,273.7	2.4	477,869.0	

a/ Includes regional Office for Europe.

Figure C
Gross budget estimates by appropriation line, 2002-2003


Management and administration of the organization 34.1%
Programme support (country and regional offices) 52.2%
Programme support (headquarters) 13.7%

18. UNICEF has consistently followed the principle to sustain and strengthen field offices to carry out the programmes. This can be seen from the tables below. The gross support budget for 2002-2003 for headquarters is at the similar level of 1996-1997, and for the field, increased by 15.6 per cent. The overall increase is 7 per cent in total. Taking inflationary increases into account, this amounts to a sizeable reduction in the headquarters budget. Therefore, the percentage of the support budget allocation for headquarters is reduced from 51 per cent in 1996-1997 to 48 per cent in 2002-2003.

Table 6. Gross support budget appropriations
(In millions of United States dollars)

	1996-1997	1998-1999	2000-2001	2002-2003	Increase: 2002-2003 over 1996-1997
Country offices	203	216	224	237	16.7%
Regional offices	53	54	55	59	11.3%
Subtotal, field offices	256	270	279	296	15.6%
Headquarters	271	257	266	270	0%
Total	527	527	546	566	7%
Country offices	39%	41%	41%	42%	
Regional offices	10%	10%	10%	10%	
Subtotal, field offices	49%	51%	51%	52%	
Headquarters	51%	49%	49%	48%	
Total	100%	100%	100%	100%	

19. The increase of posts at headquarters is mostly of a cost-neutral nature, i.e., the conversion of temporary staff to regular posts and the transfer of posts from PSD to merge the common services with shared costs. The former is necessary as investment in IT projects became recurrent maintenance functions. The latter is to increase transparency and effectiveness, which will eventually lead to efficiency savings.

20. The increase of posts in the field is in two areas: for programme support activities in MTSP priority areas; and essential operational support functions.

21. As shown in table 7, the total number of posts charged to the support budget is proposed to increase by 56 posts (an increase of 69 international Professional posts and reduction of 1 national Professional and 12 General Service posts). This increase includes 11 posts transferred from PSD and 25 conversions from temporary staff and consultants in the Information Technology Division (ITD). In line with the strategy of strengthening human resources, particularly at the entry level of Professional posts, the proposal includes 46 new posts at the P-2 and P-3 levels. The total number of posts is now proposed to be 2,523, at the similar level of 1996-1997 of 2,529. The ratio of international Professional posts in the support budget has increased from 27 per cent in 1996-1997 to 34 per cent in 2002-2003.

22. The total increase of 69 international Professional posts includes changes in posts up to the P-5 level made by the Executive Director in the current biennium, with necessary offsets within the total appropriations, as per authority delegated by the Executive Board. This has also allowed the Executive Director to make changes to meet organizational needs when posts became vacant. There were 25 Professional posts established mostly in the field with abolishment of 21 Professional posts. A list is provided in annex V.

Table 7. Regular resources posts by category, appropriation line and location

	2000-2001 approved posts					Changes				2002-2003 proposed posts				
					%	Increase/(decrease)								%
Posts	IP	NP	GS/Oth.	Total	of total	IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	of total
By appropriation line														
Programme support														
Country and regional offices	409	242	1,084	1,715	69.5	43	0	(28)	15	452	242	1,036	1,730	68.6
Headquarters	133	0	109	242	9.8	(4)	0	12	8	129	0	121	250	9.9
Subtotal	542	242	1,173	1,957	79.3	39	0	(16)	23	581	242	1,157	1,980	78.5
Management and admin. of org.	248	2	260	510	20.7	30	(1)	4	33	278	1	284	543	21.5
TOTAL	790	244	1,433	2,467	100.0	69	(1)	(12)	56	859	243	1,421	2,523	100.0
By location														
Country offices	307	218	903	1,428	57.8	26	(2)	(31)	(7)	333	214	872	1,419	56.3
Regional offices	102	26	161	289	11.7	17	2	3	22	119	28	164	311	12.3
Headquarters	381	2	369	752	30.5	26	(1)	16	41	407	1	385	793	31.4
TOTAL	790	244	1,433	2,467	100.0	69	(1)	(12)	56	859	243	1,421	2,523	100.0

Figure D
Regular resources posts by appropriation line, 2002-2003

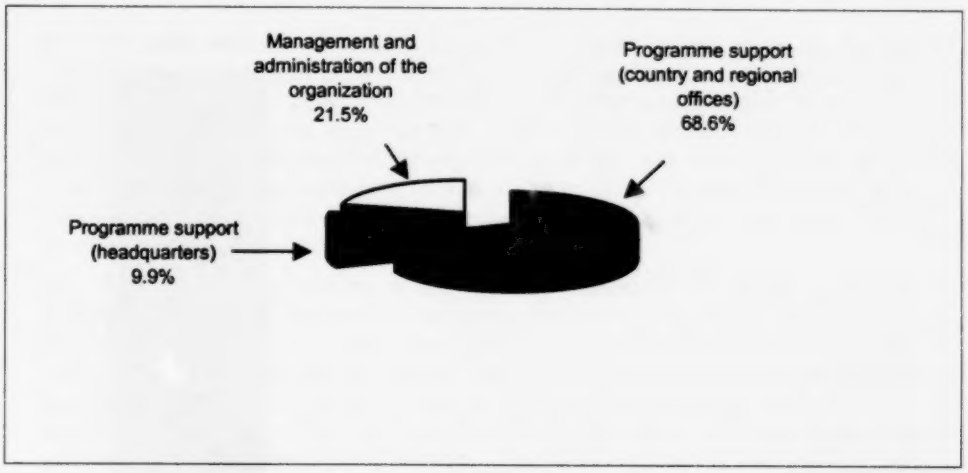

Management and administration of the organization 21.5%
Programme support (country and regional offices) 68.6%
Programme support (headquarters) 9.9%

Figure E
Regular resources posts by category, 2002-2003

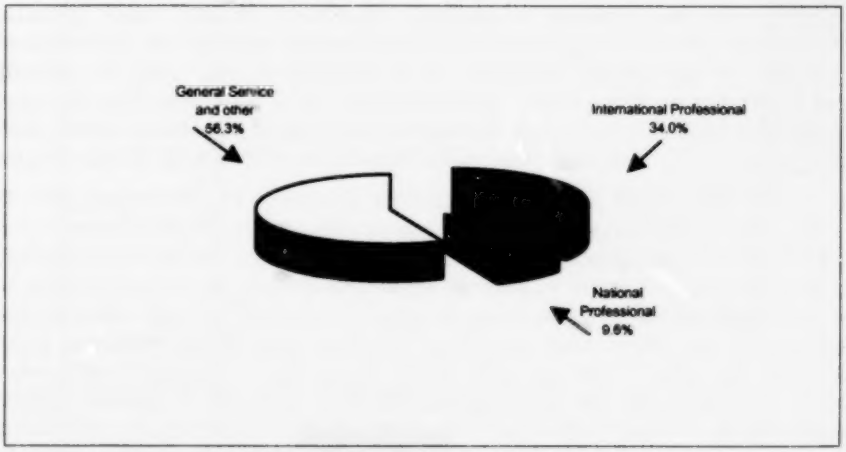
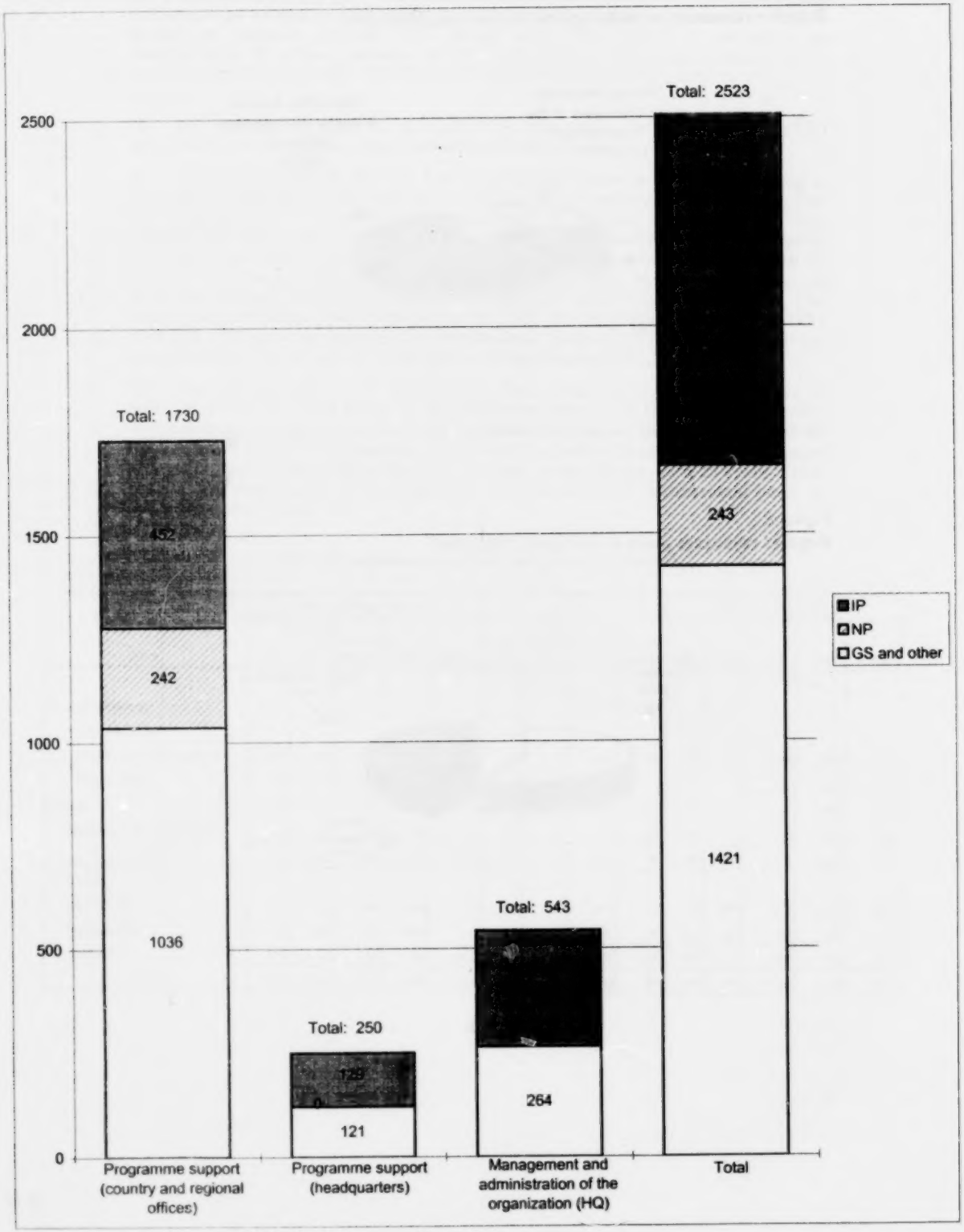


Figure F
Regular resources posts by category and appropriation line, 2002-2003



II. Proposals for the 2002-2003 biennial support budget

A. General

23. Summary table I provides a financial overview of the proposed budget estimates by main organizational units within each appropriation line, with major changes explained in paragraphs 29-129 below. The central costs under each appropriation line include, as in the past, reimbursement for the common services provided by the United Nations, termination indemnity, war risk insurance, global training, refunds to staff members for income taxes levied by Member States, after service health insurance costs and general operating costs for New York headquarters.

24. At the fifty-fifth session of the General Assembly, the Secretary-General proposed a package of measures to strengthen the safety and security of all United Nations staff at the country level. The Fifth Committee decided that this should be budgeted in the United Nations regular budget, but recovered through cost-sharing among organizations. Under the leadership of the United Nations, a comprehensive proposal in this regard has been developed in collaboration with the funds and programmes and the specialized agencies. The UNICEF share of $6.7 million has been included in the budget under field central costs for the biennium 2002-2003, which is in addition to existing costs for measures relating to staff security infrastructure and entitlements.

25. Summary table II provides a financial overview of the proposed budget estimates by main expenditure category within each appropriation line. Figure G provides an overview of the proposed budget estimates by main expenditure category. Apart from the inflationary increases in the post costs of the field, at headquarters, the increases in posts and consultants categories are due mainly to the creation of posts and reclassification of functions carried out by temporary assistance and contractors in ITD. It also reflects the cost of posts transferred from PSD, which is deducted in the reimbursement category. More detailed explanations are provided in the narratives of affected offices and divisions.

26. Summary table III provides comparative information between the current and the proposed biennium on the total number of posts per organizational unit. Table 8 complements this information by highlighting the proposed changes in the number of posts financed from the support budget for each of the main components of the appropriation line. The first part of the table covers increases and decreases that are being proposed against the 2000-2001 approved base, while the second part summarizes changes in the overall grade structure as a result of confirmed reclassifications of the grade level of existing posts and functions. The average grade level of international Professional posts is lowered from 4.3 in the current biennium to 4.2 in the next biennium.

27. Summary tables IV (a) and (b) provide a financial overview, in the same format as summary tables I and II, pertaining to the support activities in other resources. These other resources pertain to support costs for activities in GAVI (for 2002-2003 only) and the procurement services shown separately under other resources relating to programmes and other resources relating to reimbursement, respectively.

28. For the biennium 2002-2003, the vacancy rate of 6 per cent for international Professional posts has been maintained. The exchange rate and post adjustment multiplier are as of 1 September 2001, and the annual average inflation rate is projected at 3 and 5 per cent for headquarters and the field, respectively.

Figure G
Expenditures by category, 2002-2003

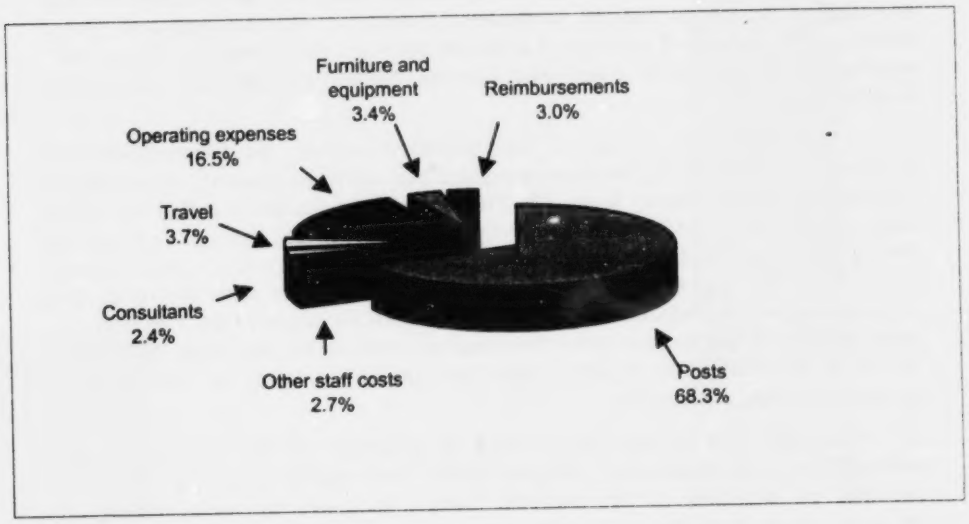


Table 8. Proposed changes in regular resources post requirements, 2002-2003

(Excludes project posts)

Organizational unit	2000-2001	International Professional category and above									GS and other categ.	Grand total	2002-2003
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/-1	Total	Nat. Prof.			
2000-2001 APPROVED POSTS		4	27	58	249	259	135	58	790	244	1,433	2,467	
POST INCREASES/DECREASES													
A. Programme support													
1. Country and regional offices													
West and Central Africa region	364	0	0	0	3	1	6	0	10	5	2	17	381
Eastern and Southern Africa region	350	0	0	0	0	1	4	0	5	2	3	10	360
The Americas and the Caribbean region	235	0	0	0	1	3	4	4	12	(6)	(12)	(6)	229
East Asia and the Pacific region	217	0	0	0	3	1	2	0	6	(3)	(9)	(6)	211
South Asia region	249	0	0	0	(1)	0	3	0	2	2	(10)	(6)	243
Middle East and North Africa region	179	0	0	0	2	0	3	0	5	(2)	(2)	1	180
CEE, CIS and the Baltic States region	121	0	0	0	0	1	1	1	3	2	0	5	126
Total (net) - A.1	1,715	0	0	0	8	7	23	5	43	0	(28)	15	1,730
2. Headquarters													
Programme Division	105	0	0	(1)	(5)	(3)	0	1	(8)	0	(4)	(12)	93
Office of Emergency Programmes	22	0	0	0	(2)	0	(1)	(1)	(4)	0	(2)	(6)	16
Division of Policy and Planning													
(Programme Guidance and Quality Assurance Section)	0	0	0	1	4	2	0	0	7	0	4	11	11
Supply Division	106	0	0	0	(2)	(2)	(2)	(1)	(7)	0	14	7	113
Information Technology Division (PROMS)	2	0	0	0	1	1	4	1	7	0	0	7	9
Innocenti Research Centre (Florence)	1	0	0	0	0	0	0	0	0	0	0	0	1
Regional Office for Europe, Emergency Section	6	0	0	0	1	0	0	0	1	0	0	1	7
Total (net) - A.2	242	0	0	0	(3)	(2)	1	0	(4)	0	12	8	250
Total (net) - A	1,957	0	0	0	5	5	24	5	39	0	(16)	23	1,980
B. Management and administration of the organization													
Office of the Executive Director	18	0	0	0	0	0	0	1	1	0	0	1	19
Division of Policy and Planning	36	0	0	(1)	(3)	(1)	0	1	(4)	0	(4)	(8)	28
Evaluation Office	0	0	0	1	2	1	0	0	4	0	3	7	7
Office of Internal Audit a/	20	0	0	0	0	0	1	0	1	0	(1)	0	20
Office of the Secretary of the Executive Board	10	0	0	0	0	0	0	0	0	0	(1)	(1)	9
Programme Funding Office	31	0	0	0	0	(1)	0	1	0	0	0	0	31
Office of UN Affairs and External Relations	9	0	0	0	0	0	0	0	0	0	0	0	9
Division of Communication	67	0	0	0	0	(3)	2	0	(1)	0	(3)	(4)	63
Division of Human Resources	82	0	0	0	(1)	2	(1)	0	0	0	1	1	83
Division of Financial and Administrative Management	114	0	0	0	0	1	1	1	3	0	(1)	2	116
Information Technology Division b/	72	0	0	0	0	5	5	8	18	0	6	24	96
Office for Japan	7	0	0	0	0	1	1	0	2	(1)	1	2	9
Regional Office for Europe (Geneva) c/	44	0	0	0	1	0	1	4	6	0	3	9	53
Total (net) - B	510	0	0	0	(1)	5	10	16	30	(1)	4	33	543
Total: Post increases/decreases (net)	2,467	0	0	0	4	10	34	21	69	(1)	(12)	56	2,523

a/ Including one international Professional post transferred from the Private Sector Division.

b/ Total comprises 21 new posts and 3 international Professional posts transferred from the Private Sector Division.

c/ Total comprises 2 new posts and 7 posts (3 international Professional and 4 General Service) transferred from the Private Sector Division.

Organizational unit	2000-2001	International Professional category and above											2002-2003
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/-1	Total	Nat. Prof.	GS and other categ.	Grand total	
POST RECLASSIFICATIONS													
A. Programme support													
Country and regional offices													
West and Central Africa region		0	0	0	2	1	(3)	0	0	0	0	0	
Eastern and Southern Africa region		0	0	2	(2)	2	(2)	0	0	0	0	0	
The Americas and the Caribbean region		0	0	0	0	0	0	0	0	0	0	0	
East Asia and the Pacific region		0	0	1	1	(2)	0	0	0	0	0	0	
South Asia region		0	0	0	0	1	(1)	0	0	0	0	0	
Middle East and North Africa region		0	0	0	0	0	0	0	0	0	0	0	
CEE, CIS and the Baltic States region		0	0	0	0	0	0	0	0	0	0	0	
Headquarters													
Programme Division		0	0	0	0	0	0	0	0	0	0	0	
Office of Emergency Programmes		0	0	0	0	0	0	0	0	0	0	0	
Division of Policy and Planning													
(Programme Guidance and Quality Assurance Section)		0	0	0	0	0	0	0	0	0	0	0	
Supply Division		0	0	0	0	0	0	0	0	0	0	0	
Information Technology Division (PROMS)		0	0	0	0	0	0	0	0	0	0	0	
Innocenti Research Centre (Florence)		0	0	0	0	0	0	0	0	0	0	0	
Regional Office for Europe, Emergency Section		0	0	0	0	0	0	0	0	0	0	0	
Total (net) - A		0	0	3	1	2	(6)	0	0	0	0	0	
B. Management and administration of the organization													
Headquarters													
Office of the Executive Director		0	0	0	0	0	0	0	0	0	0	0	
Division of Policy and Planning		0	0	2	(2)	1	(1)	0	0	0	0	0	
Evaluation Office		0	0	0	0	0	0	0	0	0	0	0	
Office of Internal Audit		0	0	0	0	0	0	0	0	0	0	0	
Office of the Secretary of the Executive Board		0	0	0	0	0	0	0	0	0	0	0	
Programme Funding Office		0	0	0	0	0	0	0	0	0	0	0	
Office of UN Affairs and External Relations		0	0	0	0	1	0	(1)	0	0	0	0	
Division of Communication		0	0	0	0	0	1	(1)	0	0	0	0	
Division of Human Resources		0	0	0	0	0	0	0	0	0	0	0	
Division of Financial and Administrative Management		0	0	0	1	0	(1)	0	0	0	0	0	
Information Technology Division		0	0	0	0	0	0	0	0	0	0	0	
Office for Japan		0	0	0	0	0	0	0	0	0	0	0	
Regional Office for Europe (Geneva)		0	0	0	0	0	0	0	0	0	0	0	
Total (net) - B		0	0	2	(1)	2	(1)	(2)	0	0	0	0	
Total: Post reclassifications (net)		0	0	5	0	4	(7)	(2)	0	0	0	0	
Total: Changes (net)		0	0	5	4	14	27	19	69	(1)	(12)	56	
2002-2003 PROPOSED POSTS		4	27	63	253	273	162	77	859	243	1,421	2,523	

B. Programme support

29. The programme support component of the budget comprises two sub-components: (a) programme support — country and regional offices; and (b) programme support — headquarters. As can be seen from table 5, programme support costs account for two thirds of the support budget. Staff resources assigned to this component, as shown in table 7, constitute 78.5 per cent of the total staff resources, of which 68.6 per cent are assigned to country and regional offices and 9.9 per cent to programme support divisions at headquarters.

1. Country and regional offices

30. In the field, UNICEF has 126 country and area offices and 7 regional offices supporting programme cooperation in 162 countries and territories. The designation "area" office refers to an office serving more than one country. Country/area offices are headed by a UNICEF representative who is responsible for all UNICEF activities undertaken in the country(ies) concerned. The seven regional offices provide programme support and oversight functions.

31. As can be seen from table 5, country and regional offices have a nominal budget increase of $16.5 million, or 5.9 per cent, bringing the total budget for the biennium 2002-2003 to $295.7 million, or 52 per cent of the total support budget. Through a systematic review of CPMPs, required resources have been reallocated to meet the priority needs, while minimizing any real growth. In the reallocation of resources, priority attention has also been given to increase the number of international posts in order to maintain the international character of the organization, increase the number of entry-level Professional positions to attract young professionals, and strengthen IT capacity.

32. Key areas requiring increases are proposed to ensure the minimum capacity in regional offices for the development and support of regional emphases in the MTSP priority areas; to strengthen secured global connectivity through the use of *Société internationale de télécommunications aéronautiques* (SITA) or Very Small Aperture Terminal (VSAT) whenever possible; and a provision for the UNICEF share of the cost to strengthen the safety and security of all United Nations staff at the country level (see paragraph 24 above).

33. The total number of posts in the country and regional offices is proposed to increase from 1,715 to 1,730 in the support budget. A brief explanation of the changes in each region is provided below. A regional comparison of the total programme and support resources between 2000-2001 and 2002-2003 is given in table 9. Annex III provides estimated programme resources and support budget for each country.

West and Central Africa region

34. The region will work on areas of particular emphasis within each MTSP priority. On education, particular emphasis will be on issues of quality, especially for girls. ECD will be addressed through the promotion of an integrated approach to include health, nutrition, care, water and sanitation. As the region second most affected by HIV/AIDS, emphasis will be on prevention through behavioural changes, the prevention of mother-to-child transmission (MTCT) of HIV/AIDS, and

care for orphans and other affected children. In addition, social and economic policy analysis and advice will ensure that children's rights are reflected in processes such as the Common Country Assessment/United Nations Development Assistance Framework, sector-wide approaches and poverty reduction strategies.

35. In the regional office, the areas of HIV/AIDS, child protection and ECD are proposed to be reinforced with additional Professional posts, 4 under the support budget and 11 project posts under other resources, subject to funding.

36. Emergency planning and response is proposed to be strengthened with a senior Professional post to lead the team in providing support to country offices, monitoring emerging crises and preparing high-risk country offices for emergency responses. To strengthen supply planning, in-country logistics and procurement services in the region, a P-5 post of regional supply planning officer has been established, with the budget for this transferred from the Supply Division in Copenhagen (see paragraph 93 (a) below). The IT capacity is proposed to be strengthened to deal with the increased complexity of IT and telecommunications in the region. In addition, the Common Services Unit serving the regional and country offices in Abidjan is proposed to be strengthened to take into account the expansion of these offices.

37. In the countries of the region, the smaller offices of Equatorial Guinea, Gabon and Sao Tome and Principe are proposed to be combined to have a common management structure, with the representative based in Gabon for cost-efficiency and effectiveness of programmes in all these countries. The communication and advocacy function is proposed to be strengthened with international Professional positions in Benin, Gabon and Liberia. In the area of IT, the region proposes to have a minimum of one dedicated IT Professional post in every country to ensure global connectivity and management of systems. The crucial area of operations management is also proposed to be strengthened with the upgrading of the operations officer posts in Burkina Faso, the Democratic Republic of the Congo, Ghana and Sierra Leone, and in the zonal offices in Nigeria.

38. The total number of posts proposed for the regional and country offices in the West and Central Africa region under the support budget is 381, comprised of 98 international Professional, 56 national Professional and 227 General Service posts. This represents an addition of 10 international Professional, 5 national Professional and 2 General Service posts. The efficiency savings and the strength of the United States dollar have allowed the strengthening of the West and Central Africa regional capacity with a total budget of $56.5 million for 2002-2003, which is $1.4 million lower than the last biennium.

Eastern and Southern Africa region

39. Within the MTSP priorities, as the region most affected by HIV/AIDS, its main emphasis will be on all HIV/AIDS areas relating to prevention, care and protection. Malaria prevention and control, nutrition, and water and sanitation will form important components of integrated ECD. In addition, strengthening of emergency preparedness and response is a cross-cutting strategy to ensure success in all organizational priorities.

40. The management approach of the regional office has been modified, with a task-based work plan and greater coordination and teamwork to meet the new needs

of the office without a significant increase in resources. To strengthen key MTSP priority areas, 12 project posts are proposed under other resources, subject to funding. In the operational management area, one human resources officer and a General Service post are proposed to be added to allow the regional advisers in operations, human resources and IT more time for advice and support of the country offices in the region. In addition, the supply function has been streamlined and strengthened in the consolidated Supply Section serving all the offices based in Nairobi, Kenya, i.e., Operation Lifeline Sudan, Somalia Support Centre, Kenya country office and the regional office.

41. The region has had more emergencies over the past decade than any other region. Priority attention has been given to address this by mainstreaming emergency preparedness and response into the country programme planning and the annual contingency planning exercises.

42. Communication and advocacy capacity is proposed to be strengthened by either the upgrading of existing posts or the creation of additional Professional posts in the offices of Burundi, Eritrea, Ethiopia, South Africa and the United Republic of Tanzania.

43. The regional procurement centre in South Africa is proposed to be strengthened with one international Professional and two General Service posts, with the budget transferred from the Supply Division in Copenhagen (see paragraph 93 (b) below). Following the standard International Civil Service Commission (ICSC) classification criteria and established policy, particularly for the classification of posts of representatives, the posts of the representatives of the Burundi and Somalia offices are proposed to be upgraded to the D-1 level. In addition, the Burundi office is establishing one international Professional security officer post, which was funded earlier by other resources.

44. In total, the number of posts proposed under the support budget is 360, comprised of 102 international Professional, 48 national Professional and 210 General Service posts. This represents an addition of five international Professional, two national Professional and three General Service posts. The total budget for the region for 2002-2003 is proposed to increase by $2.7 million, from $54.7 million to $57.4 million.

The Americas and the Caribbean region

45. In the Americas and the Caribbean Region, MTSP priority areas will have a regional emphasis on adolescent development and participation as a cross-cutting strategy to achieve children's rights. Similarly, disparity reduction will be a major programming theme across all of the five organizational priorities, reinforced by socio-economic policy analysis and data collection. Emergency preparedness and response will be an important focus of programming.

46. The regional office took the opportunity of its move from Santa Fé de Bogotá, Colombia, to Panama City, Panama, in 2000 to review its programme structure and adjust the staffing accordingly. The result was to establish six entry-level international Professional posts in sectoral programme areas and strengthen operations and communication sections.

47. The region had a major programming exercise, with 19 out of the 25 country offices submitting new country programmes starting in 2002. This provided the

region with the opportunity, using the country programme management review mechanism, to align operational structures to match programme needs across the region.

48. Efficiency gains were found by combining the operations of the offices of the southern cone group, i.e. Argentina, Chile and Uruguay. The redistribution of resources permitted the Uruguay country office to have a biennial support budget, including a P-4 assistant representative post. The functioning of a combined operations centre for three offices is being closely monitored for possible replication for cost-efficiency in other parts of the organization.

49. To improve the balance between national and international Professionals in order to maintain the international character of the organization, three national Professional posts have been converted to international Professional posts in the offices of Bolivia and Brazil. The offices of Cuba and Paraguay are also proposed to be strengthened with the establishment of second international Professional posts.

50. Operations and IT capacity are strengthened in the offices of Barbados, Cuba, Guatemala and Guyana, with offsetting reductions in the offices of Belize, Colombia and Panama.

51. The total number of posts in the region funded under the support budget is proposed at 229, comprised of 61 international Professional, 41 national Professional and 127 General Service posts. This represents an addition of 12 international Professional posts, and a reduction of 6 national Professional and 12 General Service posts. The total budget for the region for 2002-2003 is proposed to increase by $0.4 million, from $43.4 million to $43.8 million.

East Asia and the Pacific region

52. The East Asia and the Pacific region will emphasize particular regional issues within the five organizational priorities, for example, a focus on quality in girls' education, health system strengthening, the introduction of new vaccines, the prevention of HIV/sexually transmitted infections, support to orphans and other affected children, trafficking of children and women, and monitoring systems for child protection. Emergency preparedness, water, sanitation and hygiene, nutrition, safe motherhood, and socio-economic analysis of disparities and trends will be additional priorities in the regional context.

53. In the regional office, the post of the regional adviser for HIV/AIDS is proposed to be converted from other resources to the support budget in view of the regional priority in the HIV/AIDS areas mentioned above. New regional adviser posts in economic and social policy analysis and monitoring and evaluation are proposed for establishment to strengthen these functions, with offsets from existing regional office staffing. In addition, IT capacity is proposed to be upgraded to accommodate larger data flows and the provision of fixed antennae and satellite phones to better support country offices in the region.

54. Following the development of a new two-year country programme for East Timor for 2001 and 2002, endorsed by the United Nations Transitional Administration, UNICEF assistance has shifted from an emergency focus to one of rehabilitation and development. While the next country programme will be submitted to the Executive Board in 2002, a new biennial support budget has been allocated for the East Timor office, which includes a P-5 level post of special

representative, two P-3 level operations and communication officer posts and five General Service posts accounting for 69 per cent, or $1.59 million out of a total of $2.3 million increase in the support budget of the region.

55. Following the standard ICSC classification criteria and established policy, particularly for the classification of posts of representatives, the proposed upgrades of the representative posts to the D-1 level in Cambodia and the P-5 level in Mongolia reflect the increase in the volume and complexity of these country programmes.

56. Operational support is also proposed to be enhanced in Cambodia, China, Indonesia and the Pacific Islands, and the communication function was strengthened in Viet Nam. Efficiency savings have been found in the Lao People's Democratic Republic and Myanmar offices, with a reduction in rental for the Indonesia country office.

57. The total number of posts proposed for the region funded under the support budget is 211, comprised of 60 international Professional, 19 national Professional and 132 General Service posts. This represents an increase of six international Professional posts, and a decrease of three national Professional and nine General Service posts. The total budget for 2002-2003 is proposed to increase by $2.3 million, from $31.95 million to $34.27 million.

South Asia region

58. The organizational priorities match very well with the regional situation and priorities in South Asia. The South Asia region will also pursue two regional priorities: maternal mortality reduction, focusing on the underlying causes; and improvement of water quality, and environmental sanitation and hygiene practices.

59. The regional office aims to improve the quality of oversight of country offices and programmes by strengthening technical support to country teams and improving the capacity in human resources, operations and IT areas. Additional strategic technical capacity in programme advisory services and emergency preparedness and response capacity is proposed through other resources funding.

60. It is proposed that the regional IT officer be supported by an additional international Professional post to support system implementation and the expanded use of databases and reporting. In operations, two national Professional posts are proposed to be added in human resources and administration and finance areas. One national Professional programme officer post is proposed to be added in the Health and Nutrition Section, while abolishing a P-5 nutrition adviser post to partially offset the creation of the above-mentioned posts.

61. In the Afghanistan, Nepal and Sri Lanka offices, increases are proposed in field security costs, whereas in the Maldives office, operational costs have increased. IT capacity and emergency preparedness are proposed to be strengthened in most country offices. To strengthen operational management in Sri Lanka, the operations officer post has been internationalized. In the Pakistan office, one international finance post is proposed for establishment for a stronger financial oversight of provincial offices, and the human resources function in the Bangladesh office has been strengthened with the addition of a national Professional post.

62. For the region, the total number of posts funded under the support budget is proposed at 243, comprised of 44 international Professional, 31 national Professional and 168 General Service posts. This represents an addition of 2 international Professional and 2 national Professional posts, and a reduction of 10 General Service posts. The total budget for 2002-2003 is proposed to increase by $2.09 million, from $29.25 million to $31.34 million.

Middle East and North Africa region

63. UNICEF will work in the region on several areas of particular emphasis structured around the five organizational priorities. The education priority includes girls and other disadvantaged groups. Under immunization plus, the focus will be on health system strengthening and new vaccines. Integrated ECD programmes will focus on promoting community and parental involvement. HIV/AIDS efforts will address denial and prevention, focusing on adolescents. Child protection will target the reform of legal systems and national policies. Emergency preparedness and response, maternal mortality and adolescent issues are added to the region specific priorities.

64. In the regional office, to strengthen monitoring and evaluation, a P-5 regional adviser post is proposed for establishment. Similarly, the Communication Section is proposed to be strengthened with one additional international Professional post to focus on media relations, research and co-productions, and managing advocacy through goodwill ambassadors. Reductions have been found by proposing the abolishment of the social policy post and geographic desk post, with functions shared within the programme and advisory clusters.

65. In the area of operations, the capacity of the regional office to provide support to country offices is proposed to be strengthened in supply planning and management, human resources, IT and telecommunications by the establishment of a P-5 regional supply officer post, a P-3 IT officer post and a junior Professional human resources officer post. The P-5 supply post is funded by transfer of resources from the Supply Division, Copenhagen (see paragraph 93 (a) below).

66. A Common Services Unit has been established to serve both the Jordan country office and the regional office, and maximize cost-effectiveness and efficiency in the areas of administration, finance and human resources. Efficiency gains have been found by consolidating existing posts in both offices to form this unit.

67. In the country offices, priority attention has been given to improve the ratio between international and national Professional posts as far as possible. This has been done in conjunction with the review of posts funded from the support budget such as communication, operations and IT. This effort also helped the region to ensure at least two international Professional posts in most country offices.

68. Communication and IT functions are proposed to be strengthened within available resources by reviewing the competencies and staffing structure. The installation of SITA or VSAT has been a priority to ensure secured global communication and the effective use of management information systems.

69. One international Professional operations officer post is proposed to be added to the Djibouti office, and increases in shared field security costs are proposed to be provided for the offices of Algeria, Sudan, Yemen and the Palestinian Territory.

70. For the region, the total number of posts funded under the support budget is proposed at 180, comprised of 46 international Professional, 28 national Professional and 106 General Service posts. This represents an addition of five international Professional posts, and a decrease of two national Professional and two General Service posts. The total budget for 2002-2003 is proposed to increase by $1.4 million, from $31.1 million to $32.5 million.

Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States region

71. Within the MTSP priorities, the region will promote adolescent development and participation. The region will also pursue other regional emphasis areas: salt iodization; access to quality ECD opportunities; universal access to quality education for all children; reducing HIV infection among young people and ensuring that all pregnant women have access to services for the prevention of MTCT of HIV/AIDS; the reform of social protection policies to promote family care and social inclusion of minorities and those with disabilities; and the development of national data collection systems to track exploitation, violence and abuse.

72. In order to sustain and develop the achievements, the regional office has to strengthen its capacity to engage with all of the important actors and partners across the region. The regional office proposed, therefore, to add one planning officer post. A P-5 regional health adviser post has been abolished in favour of a new Professional post for education and ECD. Other resources will be used to promote the social marketing of iodized salt in order to attain the regional goal of universal salt iodization for the elimination of iodine deficiency disorders. The Communication Section is proposed to increase by one new P-3 communication officer post to expand communication, advocacy, and partnership and alliance-building for children's rights. This will be offset by the abolishment of a P-3 administrative and accounts officer post that is no longer needed.

73. An assistant representative post at the P-4 level is proposed for establishment for the Ukraine office, which was previously funded from the programme budget. The area office in Sarajevo, Bosnia and Herzegovina, is proposed to move to Belgrade, Federal Republic of Yugoslavia, for efficiency and effectiveness, with the necessary change of status of these offices, including an addition of one P-3 operations officer post.

74. The region has accommodated additional requirements in the support budgets for smaller programme countries (Belarus, Romania and Ukraine) to cover an increase in operating and telecommunication costs.

75. The communication function in the region is proposed to be enhanced through the creation of two additional posts in Tajikistan and Uzbekistan. Three other communication officer posts are also proposed to be established in Belarus, Russian Federation and Ukraine, with offsets from other posts within the regional support budget.

76. For the region, the total number of posts funded under the support budget is proposed at 126, comprised of 41 international Professional, 19 national Professional and 66 General Service posts. This represents an addition of three international Professional and two national Professional posts. The total budget for 2002-2003 is proposed to increase by $1.1 million, from $22.3 million to $23.4 million.

Table 9 Use of resources: estimated regional distribution of programmes and programme support

(In thousands of United States dollars)

	2000-2001						2002-2003					
	Regular resources amount	Other resources amount	Subtotal resources amount	%	Trust funds amount	Total resources amount	Regular resources amount	Other resources amount	Subtotal resources amount	%	Trust funds amount	Total resources amount
WEST AND CENTRAL AFRICA REGION												
A. Programmes	165,626.3	105,253.7	270,880.0		0.0	270,880.0	171,021.0	133,137.4	304,158.4		0.0	304,158.4
B. Programme support												
Country offices	48,053.2	0.0	48,053.2		0.0	48,053.2	46,543.3	0.0	46,543.3		0.0	46,543.3
Regional office	9,842.8	0.0	9,842.8		0.0	9,842.8	9,912.6	0.0	9,912.6		0.0	9,912.6
Subtotal, Programme support	57,896.0	0.0	57,896.0		0.0	57,896.0	56,455.9	0.0	56,455.9		0.0	56,455.9
Total, West and Central Africa region	223,522.3	105,253.7	328,776.0	15.5	0.0	328,776.0	227,476.9	133,137.4	360,614.3	15.5	0.0	360,614.3
EASTERN AND SOUTHERN AFRICA REGION												
A. Programmes	149,515.7	207,068.8	356,584.5		0.0	356,584.5	155,595.2	238,652.6	394,247.8		0.0	394,247.8
B. Programme support												
Country offices	44,979.8	0.0	44,979.8		0.0	44,979.8	46,900.2	0.0	46,900.2		0.0	46,900.2
Regional office	9,675.7	0.0	9,675.7		0.0	9,675.7	10,450.9	0.0	10,450.9		0.0	10,450.9
Subtotal, Programme support	54,655.5	0.0	54,655.5		0.0	54,655.5	57,351.1	0.0	57,351.1		0.0	57,351.1
Total, Eastern and Southern Africa region	204,171.2	207,068.8	411,240.0	19.3	0.0	411,240.0	212,946.3	238,652.6	451,598.9	19.4	0.0	451,598.9
THE AMERICAS AND THE CARIBBEAN REGION												
A. Programmes	49,410.8	109,982.0	159,392.8		0.0	159,392.8	43,590.7	103,468.4	147,059.1		0.0	147,059.1
B. Programme support												
Country offices	35,642.8	0.0	35,642.8		0.0	35,642.8	34,798.0	0.0	34,798.0		0.0	34,798.0
Regional office	7,790.3	0.0	7,790.3		0.0	7,790.3	8,962.9	0.0	8,962.9		0.0	8,962.9
Subtotal, Programme support	43,433.1	0.0	43,433.1		0.0	43,433.1	43,760.9	0.0	43,760.9		0.0	43,760.9
Total, The Americas and the Caribbean region	92,843.9	109,982.0	202,825.9	9.5	0.0	202,825.9	87,351.6	103,468.4	190,820.0	8.2	0.0	190,820.0
EAST ASIA AND THE PACIFIC REGION												
A. Programmes	89,479.2	93,465.5	182,944.7		0.0	182,944.7	80,965.3	113,217.5	194,182.8		0.0	194,182.8
B. Programme support												
Country offices	24,002.0	0.0	24,002.0		0.0	24,002.0	26,808.2	0.0	26,808.2		0.0	26,808.2
Regional office	7,945.1	0.0	7,945.1		0.0	7,945.1	7,461.9	0.0	7,461.9		0.0	7,461.9
Subtotal, Programme support	31,947.1	0.0	31,947.1		0.0	31,947.1	34,270.1	0.0	34,270.1		0.0	34,270.1
Total, East Asia and the Pacific region	121,426.3	93,465.5	214,891.8	10.1	0.0	214,891.8	115,235.4	113,217.5	228,452.9	9.8	0.0	228,452.9
SOUTH ASIA REGION												
A. Programmes	157,122.8	131,045.0	288,167.8		20,000.0	308,167.8	143,273.3	192,173.2	335,446.5		7,000.0	342,446.5
B. Programme support												
Country offices	23,988.5	0.0	23,988.5		0.0	23,988.5	25,477.0	0.0	25,477.0		0.0	25,477.0
Regional office	5,261.6	0.0	5,261.6		0.0	5,261.6	5,860.2	0.0	5,860.2		0.0	5,860.2
Subtotal, Programme support	29,250.1	0.0	29,250.1		0.0	29,250.1	31,337.2	0.0	31,337.2		0.0	31,337.2
Total, South Asia region	186,372.9	131,045.0	317,417.9	14.9	20,000.0	337,417.9	174,610.5	192,173.2	366,783.7	15.8	7,000.0	373,783.7

	2000-2001						2002-2003					
	Regular resources amount	Other resources amount	Subtotal resources amount	%	Trust funds amount	Total resources amount	Regular resources amount	Other resources amount	Subtotal resources amount	%	Trust funds amount	Total resources amount
MIDDLE EAST AND NORTH AFRICA REGION												
A. Programmes	51,070.4	100,688.7	151,759.1		30,000.0	181,759.1	46,488.0	95,317.7	141,805.7		163,000.0	304,805.7
B. Programme support												
Country offices	24,010.0	0.0	24,010.0		0.0	24,010.0	24,357.9	0.0	24,357.9		0.0	24,357.9
Regional office	7,103.4	0.0	7,103.4		0.0	7,103.4	8,183.2	0.0	8,183.2		0.0	8,183.2
Subtotal, Programme support	31,113.4	0.0	31,113.4		0.0	31,113.4	32,541.1	0.0	32,541.1		0.0	32,541.1
Total, Middle East and North Africa region	82,183.8	100,688.7	182,872.5	8.6	30,000.0	212,872.5	79,029.1	95,317.7	174,346.8	7.5	163,000.0	337,346.8
CEE, CIS and the BALTIC STATES REGION												
A. Programmes	32,180.6	77,600.2	109,780.8		0.0	109,780.8	33,274.4	92,644.8	125,919.2		0.0	125,919.2
B. Programme support												
Country offices	15,329.0	0.0	15,329.0		0.0	15,329.0	15,939.8	0.0	15,939.8		0.0	15,939.8
Regional office	6,931.5	0.0	6,931.5		0.0	6,931.5	7,450.0	0.0	7,450.0		0.0	7,450.0
Subtotal, Programme support	22,260.5	0.0	22,260.5		0.0	22,260.5	23,389.8	0.0	23,389.8		0.0	23,389.8
Total, CEE, CIS and the Baltic States region	54,441.1	77,600.2	132,041.3	6.2	0.0	132,041.3	56,664.2	92,644.8	149,309.0	6.4	0.0	149,309.0
INTERCOUNTRY												
A. Programmes	25,228.0	15,935.7	41,163.7	1.9	0.0	41,163.7	12,678.0	30,742.8	43,412.8	1.9	0.0	43,412.8
UNALLOCATED PROGRAMMES	50,376.0	0.0	50,376.0	2.4	47,000.0	97,376.0	-16,877.0	124,645.7	107,767.8	4.6	265,000.0	372,767.8
CENTRAL PROGRAMME SUPPORT												
Country and regional offices	8,561.1	0.0	8,561.1	0.4	0.0	8,561.1	16,547.3	0.0	16,547.3	0.7	0.0	16,547.3
Headquarters	70,628.4	0.0	70,628.4	3.3	0.0	70,628.4	77,462.9	0.0	77,462.9	3.3	0.0	77,462.9
Income to budget												
Country and regional offices	-31,000.0	24,000.0	-7,000.0		2,000.0	-5,000.0	-45,600.0	37,300.0	-8,300.0		3,300.0	-5,000.0
Headquarters programme support	-19,100.0	6,700.0	-12,400.0		500.0	-11,900.0	-22,000.0	10,200.0	-11,800.0		3,300.0	-8,500.0
Management and administration of org	-17,700.0	6,300.0	-11,400.0		500.0	-10,900.0	-20,700.0	9,000.0	-11,700.0		2,400.0	-9,300.0
Subtotal-income to budget	-67,800.0	37,000.0	-30,800.0		3,000.0	-27,800.0	-88,300.0	56,500.0	-31,800.0		9,000.0	-22,800.0
TOTAL UNICEF												
A. Programmes	770,009.8	841,039.6	1,611,049.4	75.8	97,000.0	1,708,049.4	670,000.0	1,124,000.1	1,794,000.1	77.0	435,000.0	2,229,000.1
B. Programme support												
Country and regional offices	248,116.8	24,000.0	272,116.8	12.8	2,000.0	274,116.8	250,053.4	37,300.0	287,353.4	12.3	3,300.0	290,653.4
Headquarters	60,528.4	6,700.0	67,228.4	3.2	500.0	67,728.4	55,462.9	10,200.0	65,662.9	2.8	3,300.0	68,962.9
Subtotal, Programme support	308,645.2	30,700.0	339,345.2	16.0	2,500.0	341,845.2	305,516.3	47,500.0	353,016.3	15.2	6,600.0	359,616.3
Total, Programmes and programme support	1,078,655.0	871,739.6	1,950,394.6	91.8	99,500.0	2,049,894.6	975,516.3	1,171,500.1	2,147,016.4	92.2	441,600.0	2,588,616.4
C. Management and administration of org	169,068.5	6,300.0	175,368.5	8.2	500.0	175,868.5	172,352.7	9,000.0	181,352.7	7.8	2,400.0	183,752.7
TOTAL - UNICEF	1,247,723.5	878,039.6	2,125,763.1	100.0	100,000.0	2,225,763.1	1,147,869.0	1,180,500.1	2,328,369.1	100.0	444,000.0	2,772,369.1

2. Headquarters

77. Headquarters provides overall strategic direction and guidance, with responsibility for strategic planning, advocacy and oversight for the organization as a whole. Headquarters also provides leadership in developing the global UNICEF perspective by integrating the experiences and contributions of all parts of the UNICEF system; and by ensuring that the global perspective informs planning, policy development and guidelines for management and quality assurance. The current accountabilities of each office and division are described in "The organization of the United Nations Children's Fund"(E/ICEF/Organization/Rev.3).

Headquarters programme support

78. Following the common definition of programme support in the report on the "Harmonization of budgets: UNDP, UNFPA and UNICEF" and the reorganization of the programme group (see table 10), the divisions and sections in programme support at headquarters are Programme Division, the Office of Emergency Programmes (EMOPS), the Innocenti Research Centre (IRC), Supply Division, and the Programme Guidance and Quality Assurance Section of the Division of Policy and Planning (DPP).

79. For headquarters programme support, the total budget has been reduced from $79.6 million in 2000-2001 to $77.5 million in 2002-2003. In terms of posts, in order to meet the challenges of programme excellence and the MTSP priorities in the face of reduced budget ceilings for headquarters divisions, the programme group was reorganized. The reorganization took into account the following key considerations:

(a) To give more independence and a higher profile to the evaluation function to ensure UNICEF accountability and establish a credible system of results-based programming and management, which is one of the key requirements identified in the MTSP;

(b) To follow the principles agreed upon in an organization-wide consultation to mainstream programming in unstable situations/emergencies and avoid "verticalizing" emergency programming;

(c) To ensure a closer linkage between global policy and programme guidance, and the quality assurance functions of the organization;

(d) To plan budgetary and structural adjustments within the envelope of reduced financial resources.

80. Based upon the above principles, the former Programme Division and the Evaluation, Policy and Planning (EPP) Division have been reorganized and renamed as Programme Division, DPP, and the Evaluation Office, each reporting to the Deputy Executive Director for Programme and Strategic Planning.

81. With this organization, as summarized in table 10 below, the total number of posts in the support budget for the programme group is reduced from 170 to 163, and the support budget will total $44.7 million, at a similar level as in 2000-2001.

Table 10. Programme group

(In millions of United States dollars)

	Support budget		Number of posts	
	2000-2001	2002-2003	2000-2001	2002-2003
Programme Division a/	26.6	24.7	105	93
Division of Policy and Planning b/	9.9	11.2	36	39
Evaluation Office c/	0.0	2.2	0	7
Office of Emergency Programmes a/	5.7	4.3	22	16
Emergency Section in Geneva a/	1.9	2.0	6	7
Innocenti Research Centre a/	0.3	0.3	1	1
Total, Programme group	44.4	44.7	170	163

a/ Part of programme support appropriation line.

b/ Programme Guidance and Quality Assurance Section is part of programme support appropriation and the rest is part of management and administration appropriation.

c/ Part of management and administration appropriation line.

Programme Division

82. The Programme Division provides global leadership in the formulation and advocacy of programme policies and strategies based on country programme experiences and in collaboration with the United Nations funds and programmes and other partners. Programme Division's OMP goals for 2002-2003 will ensure technical leadership in all of the MTSP organizational priority areas, with an emphasis on achieving results at the country level; strengthened capacity in field support and inter-agency collaboration; and monitoring and analysis of up-to-date statistical information on programme expenditure and cross-regional trends.

83. In order to accomplish the above accountabilities, Programme Division has undergone reorientation and restructuring by focusing its work in its technical clusters with the organizational priorities; transferring the Programme Guidance and Quality Assurance Section to DPP; and adding the Humanitarian Response Unit from EMOPS to its Inter-agency and Field Support Section.

84. Close horizontal collaboration will be institutionalized within the programme group while maintaining clear lines of responsibility, especially in communication with field locations. The transfer of the Humanitarian Response Unit from EMOPS will ensure that the Field Support and Inter-agency Section of Programme Division will be the focal point at headquarters for all programmatic interventions, including the effective humanitarian response to children and women in unstable/emergency environments.

85. Apart from the deployment of posts to DPP and from EMOPS, Programme Division will have a net reduction of three Professional posts (one P-5, one P-4 and one P-3) and one General Service post, and one reclassification from the P-4 to the P-2 level. In addition, within this reduced level of posts, offsets have been found to

propose the creation of a D-1 level post to head the HIV/AIDS Section and a P-4 level immunization officer post to meet the minimum capacity requirements in accordance with the organizational priorities.

Office of Emergency Programmes

86. Key areas of concentration of EMOPS in New York and Geneva will be on humanitarian policy and advocacy, emergency preparedness and capacity-building, and improving staff security and crisis management. The OMP of EMOPS advances the principles of mainstreaming programming in unstable situations/emergencies and avoids "verticalizing" emergency programming. Therefore, in the reorganized programme group, the Humanitarian Response Unit in EMOPS has been consolidated within the Field Support and Inter-agency Collaboration Section of Programme Division. At the same time, the intra-divisional coordination mechanism has been institutionalized to improve emergency response and support to field offices.

87. With the reorganization, three Professional posts (one each at the P-5, P-4 and P-3 levels) and one General Service post from the Humanitarian Response Unit will be deployed to the Field Support and Inter-agency Collaboration Section of Programme Division, while reducing one Professional post at the P-2 level and one General Service post. In addition, one P-5 international Professional post has been deployed to EMOPS, Geneva, as the chief, Inter-Agency Support Branch and Coordinator in the Inter-Agency Standing Committee/Executive Committee for Humanitarian Affairs secretariat. UNICEF also hosts the post of staff security officer located in the United Nations Security Coordinator's Office, with cost-sharing between agencies.

88. The Operations Centre, which is funded mainly from the support budget with partial funding from other resources, will continue to operate 24 hours a day, 7 days a week, and works in close coordination with the United Nations.

89. EMOPS will, therefore, have seven Professional and nine General Service posts at New York headquarters, and five Professional and two General Service posts in the regional Office for Europe in Geneva (GRO).

Innocenti Research Centre

90. IRC is located in Florence, Italy, and, as a part of the programme group of UNICEF, continues to serve as an international knowledge base and training centre contributing to UNICEF research and global programme policy formulation functions. IRC continues to be funded primarily from other resources, with the exception of the post of the director from the support budget. The current IRC programme covers a period until the end of 2002, and a new programme covering the period 2003-2005 will be submitted to the Executive Board in September 2002.

Supply Division

91. UNICEF purchased $502 million worth of supplies in 2000, $288 million of which were procured through its Supply Division in Copenhagen, and $214 million by field offices. This includes supplies procured under procurement services and Oil-for-Food programme for Iraq. The volume of procurement is expected to increase with the addition of procurement for GAVI.

92. Supply Division will continue to focus on the timely procurement and delivery of quality supplies and related services, value for money and oversight of the supply function. The division will also enhance its strategic role, particularly in areas of vaccines/immunization supplies and pharmaceuticals/micronutrients, in collaboration with Programme Division, the World Health Organization and industry.

93. The budget ceiling of the Supply Division for 2002-2003 was reduced from $28.7 million to $25.8 million. Within this ceiling, Supply Division has made the necessary post changes to reinforce its mandate and has also achieved efficiency savings to accommodate the following:

(a) Strengthening of supply planning and forecasting functions in the field by transferring one each P-5 level supply planning officer posts to the Middle East and North Africa and West and Central Africa regions;

(b) Transferring one P-4 contracts officer and two General Service posts to strengthen the regional procurement centre in Pretoria, South Africa;

(c) Transferring one P-4 logistics and emergency officer post for the coordination of emergency preparedness and response from New York headquarters as part of the emergency coordination team of the Supply Division;

(d) Transferring the budgeting of one P-4 systems analyst post to work within ITD.

94. Supply Division is funded from the support budget, GAVI funds and income from procurement services. In total, as indicated in summary table III, Supply Division has a decrease from a total of 162 existing posts to 158 posts. The increase in support budget posts is offset by a reduction in procurement services posts. In terms of the total budget, the ceiling of Supply Division has been further adjusted to $24.8 million after the necessary transfer of funds to accommodate the deployments mentioned under paragraph 93 above.

C. Management and administration of the organization

95. The offices and divisions grouped under the management and administration budget are the Office of the Executive Director (OED), the Evaluation Office, DPP, the Programme Funding Office (PFO), the Office of the Secretary of the Executive Board, the Office of Internal Audit (OIA), the Office of United Nations Affairs and External Relations, GRO, the Office for Japan, the Division of Communication (DOC), the Division of Human Resources (DHR), the Division of Financial and Administrative Management (DFAM) and ITD.

96. In accordance with the strategy of maintaining the budgets of headquarters offices and divisions at the same nominal level of 2000-2001, reductions and efficiency gains were found, wherever possible, to cover core activities. Offices and divisions with major changes and growth in priority areas are covered individually below. The total proposed budget for management and administration is $193.1 million, which is an increase of $6.3 million or 3.4 per cent over the 2000-2001 approved budget.

97. DHR, DFAM and ITD provide services to PSD. While the incumbents of posts are working in different functional divisions/offices in the management and

administration of the organization, funding was made from the PSD budget. In order to ensure a transparent structure showing total staffing to meet the accountability of functional divisions/offices, all posts in these offices funded by PSD have been transferred to the post tables of the respective offices with reimbursement from PSD.

Office of the Executive Director

98. The leadership, direction, advocacy and oversight functions of the Executive Director are achieved through the work of OED, advisory structures such as the Global Management Team and various divisions and offices. For the biennium 2002-2003, one additional P-2 level post is proposed in order to regularize the functions performed through temporary assistance in managing the mail of OED, the drafting of responses, and ensuring editorial and format quality of the correspondence signed by the Executive Director. With this addition, OED will have a total of 12 Professionals, including three deputies at the Assistant Secretary-General level, and seven General Service staff.

Evaluation Office

99. Following the principles explained under headquarters programme support (see paragraph 79 (a) above), the Evaluation Office will ensure clarity as to the nature of the evaluation function, promoting its strategic use at all levels, developing tools and other forms of methodological support, and systematizing the dissemination of evaluation findings. A central part of the work of the office will be the implementation of a multi-year evaluation plan, including thematic evaluations related to each of the organizational priorities of the MTSP. The provision of funds has also been made in the regular resources programme budget to conduct these evaluations.

100. In terms of staffing, the Evaluation Office will have four Professional and three General Service posts deployed from the former EPP Division, which is a net increase of one General Service post from the current biennium.

Division of Policy and Planning

101. The new structure of DPP consolidates the programme knowledge acquisition, policy-making, guidance and quality assurance functions. The division is composed of a Global Policy Section, a Strategic Information Section, a Programme Guidance and Quality Assurance Section and a Strategic Planning Unit. The division will provide leadership and advocacy in social and economic policies in favour of children, monitor the situation of children, strengthen the information base, support implementation of MTSP-wide strategic planning capacity, and institutionalize up-to-date programme guidance and quality standards.

102. The Global Policy and Strategic Information sections have been strengthened, while the Programme Guidance and Quality Assurance Section is deployed from Programme Division. The Strategic Planning Unit is delineated as a separate unit reporting to the director of the division in recognition of its pivotal role.

103. Apart from the addition of posts to move the Programme Guidance and Quality Assurance Section from Programme Division, DPP will have:

(a) Abolishment of two P-5 and one P-4 level posts;

(b) Establishment of one P-4 and one P-2 level posts in the Strategic Information Section;

(c) A net reduction of one General Service post;

(d) Three Professional post reclassifications: two in the Strategic Information Section (one P-5 is proposed at the D-1 level, and one from the P-3 to the P-4 level), and one P-5 is proposed at the D-1 level in the Global Policy Section. The head of the global policy is proposed at the D-1 level in order to obtain high-level capacity to strengthen the role of influencing global socio-economic and human rights policies for the benefit of children. The chief of strategic information is proposed for reclassification at the D-1 level commensurate with the need to enhance the leadership role of the organization in monitoring the situation of children and developing information in support of key priorities of the MTSP.

Office of Internal Audit

104. OIA has made significant advances in audit methodology, the use of computer-aided audit tools and risk-based audit reporting during the current biennium. During the period of the MTSP, the scope of the audits of OIA will include considerations of auditee's defined accountabilities and their fulfilment, which will contribute to the awareness of senior management of organizational performance and improve the potential of UNICEF to realize the MTSP priorities.

105. OIA has organized the structure of the division to be effective, while finding needed efficiency gains to remain within a no-growth budget. One P-5 level post currently funded by PSD has been technically added to the budget of OIA, which is reimbursed from PSD as explained in paragraph 97 above. The total number of 20 posts has remained the same, with the budget of $6.6 million as in the last biennium.

Regional Office for Europe in Geneva

106. GRO is the focal point for managing relations with 37 National Committees for UNICEF and works with PSD, PFO and other strategic partners to promote resource mobilization and advocacy in support of the MTSP.

107. Geneva hosts the Regional Office for Central and Eastern Europe (CEE), the Commonwealth of Independent States (CIS) and the Baltic States, EMOPS, PSD and GRO. A common Operations Unit is formed to provide human resources, financial and IT services to all the above offices. A cost centre within GRO has been established for the next biennium. To increase transparency, seven posts (three Professional and four General Service) currently funded from PSD are transferred to this unit as explained in paragraph 97 above.

108. The common Operations Unit has been strengthened in the administration and IT areas with the establishment of three P-2 Professional and two General Service posts, and the abolishment of four General Service posts, or a net increase of one post.

109. The contributions management functions have been shifted from PFO to GRO for the National Committees. In order to accomplish this additional responsibility, the office proposes to establish a P-3 funds monitoring officer post and one General Service post.

110. The total budget, excluding the Emergency Section, has reduced from $13.6 million to $12.7 million due to gains in the exchange rate and reimbursement from PSD.

Office for Japan

111. In collaboration with PFO, GRO and PSD, the Office for Japan has expanded its role in resource mobilization in Japan. Corporate priority has been given for regular resources mobilization in Japan, which requires increased interaction and service functions at the programme level with government officials, and higher-level advocacy towards the political establishments. The image of UNICEF is being strengthened in Japan by forging a united front and teamwork with the Japan Committee for UNICEF, the Parliamentary League for UNICEF and goodwill ambassadors.

112. The establishment of one P-4 level Professional and one General Service post is proposed for the Office for Japan, together with one conversion from national Professional to international Professional. In total, the number of posts will increase from seven to nine, with four international Professional, one national Professional and four General Service posts. The total budget has increased from $3.4 million to $3.6 million.

Division of Communication

113. As part of its effort to promote the five organizational priorities, UNICEF will use information, communication and advocacy to influence the actions of others. UNICEF will disseminate information widely through communication efforts. DOC plays an important role to advance the results in this area.

114. The OMP of DOC enables it to align with the MTSP priorities and focus resources for divisional priorities within the reduced budget ceiling. DOC is also taking the lead in developing a communication strategy, in close collaboration with other headquarters divisions and regional offices. In order to institutionalize key priority areas of corporate brand positioning, web development and management, and other strategies to reposition DOC, it has made a necessary shift in resources by taking several cost-cutting measures in non-priority areas as well as finding efficiency savings.

115. Major changes and choices made to find the savings are:

(a) The elimination of non-core programme publications and an emphasis on editorial and content development capacity over production and distribution capacity, with a focus on delivering core communication products, such as *The State of the World's Children* report and the *UNICEF Annual Report*;

(b) The consolidation of the administrative and budgetary function in one unit, and combining the photo and design units;

(c) The reduction in operating expenses in travel, consultancies and equipment.

116. In total, DOC has a net reduction of one Professional and three General Service posts, reducing the total number of posts from 67 to 63 for the next biennium and the total support budget from $18.9 million to $18.7 million.

Division of Human Resources

117. The OMP for the next biennium advances the strategic goal of DHR to provide high-quality human resources services to staff in a responsive, timely, sensitive and equitable manner, and provide global leadership on the management and development of the human resources function.

118. DHR has reorganized to find the reductions required and to strengthen its staffing to give priority attention to competency development in the areas of MTSP priority, succession planning, and recruitment and training of young professionals.

119. In terms of staffing, within the Director's Office, a P-5 level senior human resources officer post is proposed for abolishment, with the strengthening of the Planning and Operations Unit by an additional General Service staff and one reclassification from the P-2 to the P-3 level. The Career Development Section proposes to establish two posts, one new P-4 level post and one General Service post deployed internally, while the Organizational Learning and Staff Development Section proposes to establish a P-4 level post offset by the abolishment of a P-3 level post. The division has a net increase of one General Service post, which brings the total number of posts to 83 for the next biennium. The budget of DHR also reflects the reimbursement from PSD as explained in paragraph 97 above.

Division of Financial and Administrative Management

120. DFAM has undergone major changes and a reduction of 18 posts, i.e., from 132 to 114 posts, in the last two bienniums to take into account the decentralization and integration of the budget process, and the introduction of new systems, i.e., the Programme Manager System (PROMS), the United Nations Integrated Management Information System (IMIS) and the Financial and Logistics System (FLS). Further work needs to be done to integrate systems seamlessly.

121. The OMP of DFAM envisages its priorities as contributing to the strengthening of field offices; improving financial systems, processes and quality of financial management information; and exercising primary responsibility and leadership for all matters affecting the financial well-being of UNICEF.

122. To meet the above-mentioned goals, DFAM has a minimal increase of two Professional posts (P-4 and P-3), one of which is a transfer from ITD, for improvements in business processes and systems integration, and one P-2 level post for post management, with an offsetting General Service post. In addition, DFAM has two new P-2 level posts in contributions management, funded from trust funds for the Iraq Oil-for-Food programme and GAVI.

Information Technology Division

123. In the past two budget cycles, UNICEF made a strategic decision to invest in IT to create the enabling environment for better business processes and effectiveness. For the next biennium, the top priority in IT has been to protect the investments and stabilize the systems, improve integration between the systems, build staffing capacity, and contain the growth of maintenance costs in an environment of increasing demand and usage. The major changes affecting the budget are the following:

(a) Additional investment in the mission-critical areas of IT security, archiving and upgrading of FLS as described below;

(b) Funding of mandatory maintenance costs for major IT investments made in the previous bienniums;

(c) Creation of posts for key functions in investment areas that will continue as recurrent costs in the future and are currently performed by temporary assistants and consultants;

(d) Strengthen wireless and emergency telecommunications capacity in line with UNICEF core corporate commitments for emergencies.

Table 11. Estimated distribution of information technology requirements, 2002-2003

(In thousands of United States dollars)

Purpose	Staff costs	Contractual services: Systems devel.	Contractual services: Maint. services	Acquis. hard., soft., supplies	Other	Total
I. PRODUCTION AND RECURRENT MAINTENANCE						
2000-2001	24,827.4	0.0	10,771.8	11,005.8	725.0	47,330.0
2002-2003	22,978.3	0.0	10,195.3	11,445.0	1,683.6	46,302.2
II. SYSTEMS UPGRADE AND MAJOR PROJECTS						
FLS (upgrade)						
2002-2003	0.0	272.3	0.0	377.9	0.0	650.3
IT security						
2002-2003	825.5	0.0	0.0	523.0	45.3	1,393.8
Archiving						
2002-2003	0.0	749.1	0.0	834.9	34.5	1,618.4
Subtotal: II. Development of major systems						
2002-2003	825.5	1,021.4	0.0	1,735.8	79.8	3,662.5
III. GRAND TOTAL (net of PSD)						
2000-2001	24,827.4	0.0	10,771.8	11,005.8	725.0	47,330.0 a/
2002-2003	23,803.8	1,021.4	10,195.3	13,180.8	1,763.3	49,964.7 b/

a/ ITD budget of $37.4 million plus $9.9 million from outside New York offices.

b/ ITD budget of $45.6 million plus $4.4 million for computer equipment outside New York.

124. The proposed IT budget in table 11, with a total of $50.0 million for the biennium 2002-2003, includes $3.7 million for the three projects described below, $4.4 million for the acquisition of hardware and software in the field, and $41.9 million for the production and recurrent maintenance at headquarters. The distribution of $41.9 million is approximately as follows:

(a) $13.4 million for the central-level systems development, integration and maintenance cost for PROMS, FLS and IMIS;

(b) $13.8 million for infrastructure and applications operations to ensure that all systems are integrated globally and that information is automatically transferred across them. This also includes the cost of the global help desk to provide users with technical support and advice. The global span of UNICEF operations and time differences demand that IT support from headquarters must be available at all times in a prompt manner. On average, the global help desk receives between 1,500 to 2,000 calls per month. With the increasing stabilization of new systems, the resolution time of queries has been decreasing from approximately 10 days to less than 3 days;

(c) $5.1 million for technical architecture, global network connectivity and telecommunications through the use of SITA and VSAT by most offices in the field;

(d) $6.3 million for software licences for the whole of the organization;

(e) $3.3 million for overall planning and management of global IT operations.

New projects

125. **IT security**. In order to enable a stronger global security in IT, this project will cover an overall IT security solution across the organization covering policy, awareness, training and enforcement. The project will ensure integrity and protection of organizational data, and prevent access violations to applications and the network environment at a total cost of $1.4 million for the biennium, which includes three posts.

126. **Archiving**. The volume of electronic data for financial systems used by the organization has been increasing at a fast pace, which requires that a proper archiving mechanism is instituted, with a common set of principles, rules and procedures. The organizational financial system "Systems, Applications and Products"(SAP) data must be archived by mid-2002 as it is designed to keep a maximum of three years of data on line. The project will develop procedures that would allow UNICEF to archive and enable retrieval of old data from multiple applications in a single comprehensive platform. It is expected to cost UNICEF $2.3 million in consultancies, equipment, software and other operating costs, including the PSD share.

127. **FLS upgrade**. An upgrade of SAP to support FLS to the latest version for the public sector (4.6.x) is required to improve overall productivity and the integrity of the system. The upgrade will allow UNICEF to enhance the use of FLS in several areas, such as the record-keeping of donor contributions through the much enhanced Funds Management module; use of outstanding budgetary obligations as a standard functionality; and an improved travel module and various other modules, including better screens for data entry and reports. The total budget required for this project is

$2.9 million, but the support budget of $850,000, including the PSD share, is requested for a phased implementation, with the remaining funds to be raised as other resources together with other projects such as SAP/human resources and IT systems, which could not be accommodated within the support budget.

128. In summary, it is proposed to transfer one post of business analyst to DFAM (see paragraph 122 above) and one post of systems analyst from Supply Division (see paragraph 93 (d) above); convert 25 full-time consultancy and temporary staff functions (19 Professional and 6 General Service) to regular posts; and upgrade 2 Professional posts in ITD at New York headquarters. With 3 new Professional posts for the new projects, a total of 28 new posts (22 Professional and 6 General Service) are proposed.

129. In addition, 3 Professional posts currently funded by PSD have been added to the budget of ITD, which is reimbursed from PSD as explained in paragraph 97 above. Therefore, the total in the post tables for the next biennium for ITD is 105 as against 74 during the last biennium.

III. Draft appropriations decision

130. In light of the above, the Executive Director *recommends* that the Executive Board adopt the following draft decision:

The Executive Board,

Having considered the biennial support budget for 2002-2003, as contained in document E/ICEF/2001/AB/L.10,

1. *Approves* gross appropriations in the amount of $566,169,000 for purposes indicated below and *resolves* that the income estimates of $88,300,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $477,869,000:

Biennial support budget for 2002-2003

(In thousands of United States dollars)

Programme support:	
Country and regional offices	295 653.4
Headquarters	77 462.9
Subtotal	**373 116.3**
Management and administration of the organization	193 052.7
Total gross appropriations	**566 169.0**
Less: Estimated income to the budget	88 300.0
Estimated net appropriations	**477 869.0**

2. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed.

Summary table I. Budget estimates by organizational unit within appropriation line, 2002-2003

(In thousands of United States dollars)

Appropriation line/ organizational unit	2000-2001 approved appropriations	Volume		Cost	2002-2003 estimates
		Amount	%		
A. Programme support					
1. Country and regional offices					
West and Central Africa region	57,896.0	1,178.0	2.0	(2,618.1)	56,455.9
Eastern and Southern Africa region	54,655.5	1,000.2	1.8	1,695.4	57,351.1
The Americas and the Caribbean region	43,433.1	(261.6)	(0.6)	589.4	43,760.9
East Asia and the Pacific region	31,947.1	1,614.6	5.1	708.4	34,270.1
South Asia region	29,250.1	(119.6)	(0.4)	2,206.7	31,337.2
Middle East and North Africa region	31,113.4	121.6	0.4	1,306.1	32,541.1
CEE, CIS and the Baltic States region	22,260.5	1,546.8	6.9	(417.5)	23,389.8
Country and regional offices: Central	8,561.1	6,700.2	78.3	1,286.0	16,547.3
Subtotal	279,116.8	11,780.2	4.2	4,756.4	295,653.4
2. Headquarters					
Programme Division	26,576.5	(3,202.6)	(12.1)	1,367.6	24,741.5
Division of Policy and Planning	0.0	2,330.9	N/A	729.6	3,060.5
Office of Emergency Programmes	5,679.1	(1,575.0)	(27.7)	196.0	4,300.1
Innocenti Research Centre (Florence)	291.5	(6.5)	100.0	93.6	378.6
RO for Europe (Geneva) - Emergency Section	1,895.0	343.7	18.1	(209.6)	2,029.1
IT: PROMS and field support	4,909.8	1,799.3	36.6	(1,426.0)	5,283.1
Supply Division	28,749.0	(2,946.1)	(10.2)	(980.6)	24,822.3
Headquarters: Programme support: Central	11,527.5	(420.5)	(3.6)	1,740.7	12,847.7
Subtotal	79,628.4	(3,676.8)	(4.6)	1,511.3	77,462.9
Subtotal: Programme support	358,745.2	8,103.4	2.3	6,267.7	373,116.3
B. Management and administration of organization					
Office of the Executive Director	5,808.2	122.8	2.1	318.9	6,249.9
Division of Policy and Planning	9,960.0	(1,855.6)	(18.6)	(42.6)	8,061.8
Evaluation office	0.0	2,190.5	N/A	0.0	2,190.5
Office of Internal Audit	6,617.7	(388.9)	(5.9)	390.2	6,619.0
Office of the Secretary of the Executive Board	2,429.0	(165.4)	(6.8)	113.1	2,376.7
Programme Funding Office	7,668.2	(249.2)	(3.2)	191.8	7,610.8
Office of UN Affairs and External Relations	2,149.7	(6.5)	(0.3)	113.1	2,256.3
Division of Communication	18,911.4	(1,076.8)	(5.7)	905.7	18,740.3
Division of Human Resources	17,326.4	(745.3)	(4.3)	618.2	17,199.3
Division of Financial and Admin. Management	23,416.5	53.9	0.2	821.6	24,292.0
Information Technology Division	32,475.1	3,791.5	11.7	4,101.0	40,367.6
Office for Japan	3,378.8	669.1	19.8	(446.1)	3,601.8
Regional Office for Europe (Geneva)	13,634.8	199.8	1.5	(1,129.2)	12,705.4
Headquarters: Management and admin.: Central	42,992.7	(1,261.7)	(2.9)	(949.7)	40,781.3
Subtotal: Management and admin. of org.	186,768.5	1,278.2	0.7	5,006.0	193,052.7
TOTAL GROSS BUDGET ESTIMATES	545,513.7	9,381.6	1.7	11,273.7	566,169.0
Estimated income	(67,800.0)	(20,500.0)	30.2	0.0	(88,300.0)
TOTAL NET BUDGET ESTIMATES	477,713.7	(11,118.4)	(2.3)	11,273.7	477,869.0

Summary table II. Budget estimates by expenditure category within appropriation line, 2002-2003

(In thousands of United States dollars)

Appropriation line/ expenditure category	2000-2001 approved appropriations	Volume Amount	Volume %	Cost	2002-2003 estimates
A. Programme support					
1. Country and regional offices					
Posts	193,100.4	8,755.2	4.5	2,983.7	204,839.3
Other staff costs	8,383.5	828.0	9.9	(968.8)	8,242.7
Consultants	1,652.9	(712.3)	(43.1)	46.5	987.1
Travel	12,166.8	(177.0)	(1.5)	661.3	12,651.1
Operating expenses	53,545.5	(4,491.1)	(8.4)	1,566.5	50,620.9
Furniture and equipment	6,391.7	545.4	8.5	272.8	7,209.9
Reimbursements a/	3,876.0	7,032.0	181.4	194.4	11,102.4
Subtotal	279,116.8	11,780.2	4.2	4,756.4	295,653.4
2. Headquarters					
Posts	53,268.3	277.8	0.5	1,266.6	54,812.7
Other staff costs	5,668.8	(1,559.5)	(27.5)	(1,360.1)	2,749.2
Consultants	419.6	1,825.2	435.0	134.7	2,379.5
Travel	2,972.4	(166.9)	(5.6)	111.1	2,916.6
Operating expenses	13,843.2	(3,727.0)	(26.9)	1,197.3	11,313.5
Furniture and equipment	1,554.8	(266.7)	(17.2)	49.6	1,337.7
Reimbursements a/	1,901.3	(59.7)	(3.1)	112.1	1,953.7
Subtotal	79,628.4	(3,676.8)	(4.6)	1,511.3	77,462.9
Subtotal : Programme support	358,745.2	8,103.4	(0.4)	6,267.7	373,116.3
B. Management and administration of organization					
Posts	117,992.5	7,084.1	6.0	2,050.0	127,126.6
Other staff costs	10,559.6	(7,856.2)	(74.4)	1,361.7	4,065.1
Consultants	2,201.7	7,571.7	343.9	582.7	10,356.1
Travel	5,833.9	(492.1)	(8.4)	214.5	5,556.3
Operating expenses	35,201.3	(3,592.0)	(10.2)	(72.6)	31,536.7
Furniture and equipment	5,744.9	4,403.5	76.7	617.2	10,765.6
Reimbursements a/	9,234.6	(5,840.8)	(63.2)	252.5	3,646.3
Subtotal: Management and admin. of org.	186,768.5	1,278.2	0.7	5,006.0	193,052.7
TOTAL					
Posts	364,361.2	16,117.1	4.4	6,300.3	386,778.6
Other staff costs	24,611.9	(8,587.7)	(34.9)	(967.2)	15,057.0
Consultants	4,274.2	8,684.6	203.2	763.9	13,722.7
Travel	20,973.1	(836.0)	(4.0)	986.9	21,124.0
Operating expenses	102,590.0	(11,810.1)	(11.5)	2,691.2	93,471.1
Furniture and equipment	13,691.4	4,682.2	34.2	939.6	19,313.2
Reimbursements a/	15,011.9	1,131.5	7.5	559.0	16,702.4
TOTAL GROSS BUDGET ESTIMATES	545,513.7	9,381.6	1.7	11,273.7	566,169.0
Estimated income	(67,800.0)	(20,500.0)	30.2	-	(88,300.0)
TOTAL NET BUDGET ESTIMATES	477,713.7	(11,118.4)	(2.3)	11,273.7	477,869.0

a/ Includes contributions to joint activities and joint services, and reimbursements from PSD.

Summary table III. Estimated distribution of posts by source of funds and organizational unit, 2002-2003

(Excludes project posts)

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ.	Grand total
A. Programme support											
1. Country and regional offices											
West and Central Africa region											
2000-2001 Regular resources	0	2	4	34	29	18	1	88	51	225	364
2002-2003 Regular resources	0	2	4	39	31	21	1	98	56	227	381
Eastern and Southern Africa region											
2000-2001 Regular resources	0	2	6	29	30	26	4	97	46	207	350
2002-2003 Regular resources	0	2	8	27	33	28	4	102	48	210	360
The Americas and the Caribbean region											
2000-2001 Regular resources	0	1	2	23	21	2	0	49	47	139	235
2002-2003 Regular resources	0	1	2	24	24	6	4	61	41	127	229
East Asia and the Pacific region											
2000-2001											
Regular resources	0	3	4	19	18	8	2	54	22	141	217
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	1	1	2
Total	0	3	4	19	18	8	2	54	23	142	219
2002-2003											
Regular resources	0	3	5	23	17	10	2	60	19	132	211
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	1	1	2
Total	0	3	5	23	17	10	2	60	20	133	213
South Asia region											
2000-2001											
Regular resources	0	4	4	15	16	3	0	42	29	178	249
Other resources relating to reimbursement	0	0	0	0	0	1	0	1	1	1	3
Total	0	4	4	15	16	4	0	43	30	179	252
2002-2003											
Regular resources	0	4	4	14	17	5	0	44	31	168	243
Other resources relating to reimbursement	0	0	0	0	1	0	0	1	3	6	10
Total	0	4	4	14	18	5	0	45	34	174	253
Middle East and North Africa region											
2000-2001 Regular resources	0	1	4	18	15	3	0	41	30	108	179
2002-2003 Regular resources	0	1	4	20	15	6	0	46	28	106	180
CEE, CIS and the Baltic States region											
2000-2001 Regular resources	0	1	4	12	15	4	2	38	17	66	121
2002-2003 Regular resources	0	1	4	12	16	5	3	41	19	66	126

Source of funds/ organizational unit	International Professional category and above									GS and other categ.	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
Total: A.1 Programme support - Country and ROs											
2000-2001											
Regular resources	0	14	28	150	144	64	9	409	242	1,064	1,715
Other resources relating to reimbursement	0	0	0	0	0	1	0	1	2	2	5
Total Total - A.1	0	14	28	150	144	65	9	410	244	1,066	1,720
2002-2003											
Regular resources	0	14	31	159	153	81	14	452	242	1,036	1,730
Other resources relating to reimbursement	0	0	0	0	1	0	0	1	4	7	12
Total Total - A.1	0	14	31	159	154	81	14	453	246	1,043	1,742
2. Headquarters											
Programme Division											
2000-2001 Regular resources	0	1	9	32	15	4	3	64	0	41	105
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	9	32	15	4	3	64	0	41	105
2002-2003 Regular resources	0	1	8	27	12	4	4	56	0	37	93
Other resources relating to programme	0	0	0	0	1	0	0	1	0	1	2
Total	0	1	8	27	13	4	4	57	0	38	95
Office of Emergency Programmes											
2000-2001 Regular resources	0	1	1	3	2	3	1	11	0	11	22
2002-2003 Regular resources	0	1	1	1	2	2	0	7	0	9	16
Division of Policy and Planning											
(Programme Guidance & Quality Assurance Section)											
2000-2001 Regular resources	0	0	0	0	0	0	0	0	0	0	0
2002-2003 Regular resources	0	0	1	4	2	0	0	7	0	4	11
Supply Division											
2000-2001											
Regular resources	0	1	2	12	18	12	6	51	0	55	106
Other resources relating to reimbursement	0	0	0	0	13	3	1	17	0	39	56
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	2	12	31	15	7	68	0	94	162
2002-2003											
Regular resources	0	1	2	10	16	10	5	44	0	69	113
Other resources relating to reimbursement	0	0	0	1	7	5	4	17	0	22	39
Other resources relating to programme	0	0	0	0	2	1	2	5	0	1	6
Total	0	1	2	11	25	16	11	66	0	92	158
Information Technology Division (PROMS)											
2000-2001 Regular resources	0	0	0	0	1	0	1	2	0	0	2
2002-2003 Regular resources	0	0	0	1	2	4	2	9	0	0	9

Source of funds/ organizational unit	International Professional category and above								Nat. Prof.	GS and other categ.	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Innocenti Research Centre (Florence)											
2000-2001 Regular resources	0	1	0	0	0	0	0	1	0	0	1
2002-2003 Regular resources	0	1	0	0	0	0	0	1	0	0	1
Regional Office for Europe, Emergency Section											
2000-2001 Regular resources	0	0	1	1	1	1	0	4	0	2	6
2002-2003 Regular resources	0	0	1	2	1	1	0	5	0	2	7
Total: A.2 Programme support - Headquarters											
2000-2001											
Regular resources	0	4	13	48	37	20	11	133	0	109	242
Other resources relating to reimbursement	0	0	0	0	13	3	1	17	0	39	56
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total - A.2	0	4	13	48	50	23	12	150	0	148	298
2002-2003											
Regular resources	0	4	13	45	35	21	11	129	0	121	250
Other resources relating to reimbursement	0	0	0	1	7	5	4	17	0	22	39
Other resources relating to programme	0	0	0	0	3	1	2	6	0	2	8
Total - A.2	0	4	13	46	45	27	17	152	0	145	297
Total: A. Programme support											
2000-2001											
Regular resources	0	18	41	198	181	84	20	542	242	1,173	1,957
Other resources relating to reimbursement	0	0	0	0	13	4	1	18	2	41	61
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total - A	0	18	41	198	194	88	21	560	244	1,214	2,018
2002-2003											
Regular resources	0	18	44	204	188	102	25	581	242	1,157	1,980
Other resources relating to reimbursement	0	0	0	1	8	5	4	18	4	29	51
Other resources relating to programme	0	0	0	0	3	1	2	6	0	2	8
Total - A	0	18	44	205	199	108	31	605	246	1,188	2,039
B. Management and administration of organization											
Headquarters											
Office of the Executive Director											
2000-2001 Regular resources	4	1	1	1	3	0	1	11	0	7	18
2002-2003 Regular resources	4	1	1	1	3	0	2	12	0	7	19
Division of Policy and Planning											
2000-2001 Regular resources	0	1	1	10	7	3	0	22	0	14	36
2002-2003 Regular resources	0	1	2	5	7	2	1	18	0	10	28
Evaluation Office											
2000-2001 Regular resources	0	0	0	0	0	0	0	0	0	0	0
2002-2003 Regular resources	0	0	1	2	1	0	0	4	0	3	7

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ	Grand total
Office of Internal Audit											
2000-2001 Regular resources	0	1	1	6	4	2	2	16	0	4	20
2002-2003 Regular resources	0	1	1	6	4	3	2	17	0	3	20
Office of the Secretary of the Executive Board											
2000-2001 Regular resources	0	0	1	1	2	0	0	4	0	6	10
2002-2003 Regular resources	0	0	1	1	2	0	0	4	0	5	9
Programme Funding Office											
2000-2001 Regular resources	0	1	1	6	2	1	9	20	0	11	31
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	1	6	2	1	9	20	0	11	31
2002-2003 Regular resources	0	1	1	6	1	1	10	20	0	11	31
Other resources relating to programme	0	0	0	0	1	0	0	1	0	0	1
Total	0	1	1	6	2	1	10	21	0	11	32
Office of UN Affairs and External Relations											
2000-2001 Regular resources	0	0	1	2	0	2	0	5	0	4	9
2002-2003 Regular resources	0	0	1	2	0	2	0	5	0	4	9
Division of Communication											
2000-2001 Regular resources	0	1	1	5	12	9	6	34	0	33	67
2002-2003 Regular resources	0	1	1	5	10	11	5	33	0	30	63
Division of Human Resources											
2000-2001 Regular resources	0	1	2	6	15	2	4	30	0	52	82
2002-2003 Regular resources	0	1	2	5	17	2	3	30	0	53	83
Division of Financial and Administrative Management											
2000-2001 Regular resources	0	1	4	4	10	10	11	40	0	74	114
Other resources relating to programme	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	4	4	10	10	11	40	0	74	114
2002-2003 Regular resources	0	1	4	4	11	11	12	43	0	73	116
Other resources relating to programme	0	0	0	0	0	0	2	2	0	0	2
Total	0	1	4	4	11	11	14	45	0	73	118
Information Technology Division											
2000-2001 Regular resources	0	1	1	7	15	18	5	47	0	25	72
2002-2003 Regular resources	0	1	1	8	20	22	13	65	0	31	96
Office for Japan											
2000-2001 Regular resources	0	0	1	0	1	0	0	2	2	3	7
2002-2003 Regular resources	0	0	1	0	2	1	0	4	1	4	9

Source of funds/ organizational unit		International Professional category and above									GS and	
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	other categ.	Grand total
Regional Office for Europe (Geneva)												
2000-2001 Regular resources		0	1	2	3	7	4	0	17	0	27	44
2002-2003 Regular resources		0	1	2	4	7	5	4	23	0	30	53
Total: B. Management and admin. of org. - HQ												
2000-2001 Regular resources	Total - B	4	9	17	51	78	51	38	248	2	260	510
Other resources relating to programme		0	0	0	0	0	0	0	0	0	0	0
Total		4	9	17	51	78	51	38	248	2	260	510
2002-2003 Regular resources	Total - B	4	9	19	49	85	60	52	278	1	264	543
Other resources relating to programme		0	0	0	0	1	0	2	3	0	0	3
Total		4	9	19	49	86	60	54	281	1	264	546
Grand total												
2000-2001												
Regular resources		4	27	58	249	259	135	58	790	244	1,433	2,467
Other resources relating to reimbursements		0	0	0	0	13	4	1	18	2	41	61
Other resources relating to programme		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	4	27	58	249	272	139	59	808	246	1,474	2,528
2002-2003												
Regular resources		4	27	63	253	273	162	77	859	243	1,421	2,523
Other resources relating to reimbursements		0	0	0	1	8	5	4	18	4	29	51
Other resources relating to programme		0	0	0	0	4	1	4	9	0	2	11
	TOTAL	4	27	63	254	285	168	85	886	247	1,452	2,585

Summary table IV (a). Other resources estimates by source of funds and organizational unit, 2002-2003

(In thousands of United States dollars)

Source of funds/ organizational unit		2000-2001 estimates	Increase/ decrease	2002-2003 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES				
Programme Division		0.0	535.5	535.5
Supply Division		0.0	2,181.6	2,181.6
Division of Financial and Administrative Management		0.0	570.5	570.5
Programme Funding Office		0.0	782.9	782.9
	Total	0.0	4,070.5	4,070.5
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS				
Eastern and Southern Africa region				
East Asia and the Pacific region		100.8	(57.7)	43.1
South Asia region		287.2	416.6	703.8
Headquarters (Supply Division)		13,535.2	(5,693.7)	7,841.5
	Total	13,923.2	(5,334.8)	8,588.4
Grand total		13,923.2	-1,264.3	12,658.9

Summary table IV (b). Other resources estimates by source of funds and expenditure category, 2002-2003

(In thousands of United States dollars)

Source of funds/ expenditure category		2000-2001 estimates	Increase/ decrease	2002-2003 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES				
Posts		0.0	1,999.8	1,999.8
Other staff costs		0.0	1,405.6	1,405.6
Consultants		0.0	240.5	240.5
Travel		0.0	349.9	349.9
Operating expenses		0.0	28.6	28.6
Furniture and equipment		0.0	46.1	46.1
	Total	0.0	4,070.5	4,070.5
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS				
Posts		9,424.4	(2,656.9)	6767.5
Other staff costs		1,906.8	(1,876.9)	29.9
Consultants		343.6	(343.6)	0
Travel		202.8	2.4	205.2
Operating expenses		1,566.7	(570.7)	996.0
Furniture and equipment		478.9	110.9	589.8
	Total	13,923.2	(5,334.8)	8588.4
Grand total		13,923.2	(1,264.3)	12,658.9

Annex I

Terminology

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line — definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

1. A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

2. The budget of an organization covering programme support and management and administration of the organization.

Cost (increase/decrease) — Administrative Committee on Coordination definition

3. Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Gross budget

4. For voluntary-funded organizations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, e.g. inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Management and administration of organization

5. Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information, administration and audit.

Net budget

6. For voluntary-funded organizations, the budget which reflects estimates of payments to be received which offset, in whole or in part, the related gross budget estimates.

Other resources

7. Resources of a voluntarily-funded organization, other than regular resources, which are received for a specific programme purpose consistent with the mandate of the organization and for the provision of specific services to third parties.

Other resources relating to programmes

8. Resources of a voluntarily-funded organization, other than regular resources, which are received for a specific programme purpose that is consistent with the mandate of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, and donations from non-governmental sources.

Other resources relating to reimbursements

9. Resources of a voluntarily-funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programme(s)

10. (a) Those activities associated directly with the preparation, implementation and monitoring and evaluation of the organization's development cooperation activities;

(b) For the purpose of related financial information, direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

11. Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

12. Resources of a voluntarily-funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources, and related interest earnings and miscellaneous income.

Various cost adjustments

13. Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

14. Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex II

Methodology

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is during the first months of the second year of the current biennium. A description of each sequential step follows.

I. Volume adjustments

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. Various cost adjustments

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, ICSC decisions on a variety of staff entitlements (e.g. dependency allowance, education grant), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. Currency adjustments

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and, for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where

operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. Inflation adjustment

5. Finally, to complete the picture and develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency as follows:

(a) **For the first year of the current biennium to the first year of the proposed biennium**. The existing estimates already embody earlier estimates of inflation. Therefore, the inflation adjustment for this transition includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;

(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium;

(iii) The inflation projection for the first year of the proposed biennium;

(b) **For the second year of the current biennium to the second year of the proposed biennium**:

(i) Same as (a) (i)-(iii) above;

(ii) The inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international Professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for international Professional staff (this is the same for all locations);

(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location;

(d) The fourth factor relates to all other costs, such as operating expenses.

7. Within this general framework, New York headquarters and GRO are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements, such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

Annex III

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS

(In thousands of United States dollars)

	2002-2003													
	PROGRAMME BUDGET					POSTS								
	Regular	Other	Total	SUPPORT	Grand	Programme budget				Support budget				Grand
COUNTRIES WITHIN REGIONS	resources a/	resources b/	resources	BUDGET	total	IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	total
WEST AND CENTRAL AFRICA REGION														
Regional Office	1,500.0	4,000.0	5,500.0	9,912.6	15,412.6	5	0	1	6	23	5	32	60	66
Benin	3,507.0	2,220.5	5,727.5	1,728.7	7,456.2	2	9	13	24	4	2	8	14	38
Burkina Faso	8,282.0	5,425.4	13,707.4	2,072.4	15,779.8	4	9	20	33	3	3	11	17	50
Cameroon	5,025.0	1,434.4	6,459.4	1,914.5	8,373.9	3	5	6	14	3	2	11	16	30
Cape Verde	1,236.0	287.6	1,523.6	896.5	2,420.1	0	3	5	8	2	1	3	6	14
Central African Republic	3,091.0	1,200.0	4,291.0	2,023.8	6,314.8	3	7	8	18	4	1	9	14	32
Chad	4,829.0	4,119.0	8,948.0	2,285.7	11,233.7	5	7	17	29	3	3	8	14	43
Congo	1,939.0	2,515.9	4,454.9	2,123.2	6,578.1	1	5	3	9	3	2	7	12	21
Cote d'Ivoire c/	6,846.0	2,211.1	9,057.1	2,130.2	11,187.3	4	8	12	24	3	2	9	14	38
Democratic Republic of the Congo c/	33,591.0	23,633.3	57,224.3	2,763.3	59,987.6	14	16	49	79	5	3	9	17	96
Equatorial Guinea	1,307.0	400.0	1,707.0	488.9	2,195.9	0	3	4	7	1	0	2	3	10
Gabon	1,240.0	562.0	1,802.0	1,460.0	3,262.0	0	2	3	5	5	0	3	8	13
Gambia	1,454.0	1,500.0	2,954.0	1,033.7	3,987.7	1	5	4	10	2	1	4	7	17
Ghana	6,873.0	12,000.0	18,873.0	1,616.0	20,489.0	5	8	21	34	3	4	9	16	50
Guinea	4,784.0	3,000.0	7,784.0	1,969.7	9,753.7	4	11	15	30	3	3	8	14	44
Guinea-Bissau	2,015.0	2,447.4	4,462.4	1,907.1	6,369.5	2	6	9	17	3	1	7	11	28
Liberia	3,046.0	12,800.0	15,846.0	2,807.9	18,653.9	4	6	16	26	4	2	10	16	42
Mali	10,293.0	5,480.2	15,773.2	2,343.9	18,117.1	8	13	19	40	3	3	10	16	56
Mauritania	2,588.0	2,982.2	5,570.2	1,668.5	7,238.7	1	11	10	22	3	3	8	14	36
Niger	11,998.0	5,056.0	17,054.0	1,753.2	18,807.2	9	12	26	47	3	2	7	12	59
Nigeria c/	41,429.0	22,521.4	63,950.4	4,400.8	68,351.2	14	49	101	164	5	5	29	39	203
Sao Tome and Principe	1,236.0	24.4	1,260.4	239.5	1,499.9	0	4	5	9	1	0	0	1	10
Senegal c/	4,238.0	4,682.6	8,920.6	2,445.0	11,365.6	4	6	15	25	3	3	9	15	40
Sierre Leone	5,448.0	11,868.6	17,316.6	1,909.9	19,226.5	6	17	30	53	3	2	9	14	67
Togo	3,226.0	765.3	3,991.3	1,660.9	5,652.2	1	5	8	14	3	3	5	11	25
Central cost	0.0	0.0	0.0	900.0	900.0	0	0	0	0	0	0	0	0	0
Subtotal for 2002-2003	171,021.0	133,137.4	304,158.4	56,455.9	360,614.3	100	227	420	747	98	56	227	381	1,128

	2002-2003													
	PROGRAMME BUDGET					POSTS								
	Regular resources a/	Other resources b/	Total resources	SUPPORT BUDGET	Grand total	Programme budget				Support budget				Grand total
						IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	
COUNTRIES WITHIN REGIONS														
EASTERN AND SOUTHERN AFRICA REGION														
Regional Office	1,500.0	7,000.0	8,500.0	10,450.9	18,950.9	7	1	0	8	22	4	28	54	62
Angola	11,110.0	20,600.0	31,710.0	4,462.2	36,172.2	12	24	44	80	7	1	9	17	97
Botswana	1,224.0	991.8	2,215.8	1,580.0	3,795.8	1	6	5	12	3	1	6	10	22
Burundi	5,178.0	9,000.0	14,178.0	2,330.2	16,508.2	6	9	25	40	5	2	7	14	54
Comoros	1,368.0	43.4	1,411.4	1,055.5	2,466.9	0	2	5	7	2	1	4	7	14
Eritrea	2,512.0	11,882.8	14,394.8	1,700.5	16,095.3	6	10	13	29	3	3	5	11	40
Ethiopia c/	32,195.2	34,657.4	66,852.6	3,177.1	70,029.7	11	16	30	57	5	5	19	29	86
Kenya c/	9,225.2	8,000.0	17,225.2	3,743.6	20,968.8	3	14	28	45	4	4	26	34	79
Lesotho	1,859.0	341.9	2,200.9	1,208.0	3,408.9	4	4	10	18	2	1	6	9	27
Madagascar c/	9,095.9	7,368.3	16,464.2	2,012.0	18,476.2	7	9	26	42	5	2	6	13	55
Malawi	9,496.0	10,000.0	19,496.0	1,706.7	21,202.7	9	12	25	46	4	1	6	11	57
Mauritius c/	943.2	25.7	968.9	732.0	1,700.9	0	1	2	3	1	2	3	6	9
Mozambique c/	14,517.4	18,661.5	33,178.8	3,119.6	36,298.4	14	12	39	65	5	2	11	18	83
Namibia	1,292.0	4,000.0	5,292.0	2,116.9	7,408.9	2	6	7	15	3	2	9	14	29
Rwanda	5,365.0	7,160.1	12,525.1	2,167.2	14,692.3	8	15	27	50	4	2	4	10	60
Somalia	9,266.0	23,056.5	32,322.5	3,366.7	35,689.2	15	8	41	64	6	3	8	17	81
South Africa	1,783.0	3,949.6	5,732.6	1,917.7	7,650.3	7	4	10	21	3	5	9	17	38
Swaziland	1,312.0	548.2	1,860.2	872.1	2,732.3	1	4	4	9	2	1	2	5	14
Uganda	10,379.0	29,365.4	39,744.4	2,799.4	42,543.8	10	15	39	64	4	1	10	15	79
United Republic of Tanzania c/	15,118.6	20,000.0	35,118.6	3,322.6	38,441.2	13	24	29	66	5	2	14	21	87
Zambia c/	7,116.8	12,000.0	19,116.8	1,964.8	21,081.6	9	10	26	45	4	1	10	15	60
Zimbabwe	3,739.0	10,000.0	13,739.0	1,519.5	15,258.5	2	12	19	33	3	2	8	13	46
Central cost	0.0	0.0	0.0	25.9	25.9	0	0	0	0	0	0	0	0	0
Subtotal for 2002-2003	155,595.2	238,652.6	394,247.8	57,351.1	451,598.9	147	218	454	819	102	48	210	360	1,179

COUNTRIES WITHIN REGIONS	2002-2003														
	PROGRAMME BUDGET			SUPPORT BUDGET	Grand total	POSTS									
						Programme budget				Support budget				Grand total
	Regular resources a/	Other resources b/	Total resources			IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	
THE AMERICAS AND THE CARIBBEAN REGION														
Regional Office	800.0	3,000.0	3,800.0	8,962.9	12,762.9	2	0	0	2	19	4	16	39	41
Argentina c/	1,548.3	3,040.2	4,588.5	1,427.2	6,015.7	1	0	2	3	1	1	4	6	9
Barbados (Eastern Caribbean programmes) c/	3,004.7	1,156.4	4,161.0	2,404.2	6,565.2	2	4	5	11	1	3	6	10	21
Belize	1,204.0	144.4	1,348.4	527.5	1,875.9	0	1	3	4	1	0	2	3	7
Bolivia c/	2,331.3	12,353.8	14,685.1	2,485.9	17,171.0	4	7	18	29	4	2	8	14	43
Brazil c/	3,075.2	20,000.0	23,075.2	1,954.0	25,029.2	5	18	28	51	3	3	8	14	65
Chile c/	1,132.3	476.8	1,609.1	1,351.8	2,960.9	0	0	0	0	2	0	4	6	6
Colombia c/	2,348.5	5,038.6	7,387.1	1,814.9	9,202.0	1	5	11	17	2	3	7	12	29
Costa Rica c/	1,242.0	407.5	1,649.5	526.2	2,175.7	0	3	3	6	1	0	2	3	9
Cuba c/	1,322.3	1,111.0	2,433.3	868.4	3,301.7	0	1	3	4	2	2	3	7	11
Dominican Republic c/	1,535.9	1,679.7	3,215.6	1,345.1	4,560.7	1	1	4	6	1	2	4	7	13
Ecuador c/	1,878.2	4,717.9	6,596.1	1,619.1	8,215.2	2	8	13	23	2	2	7	11	34
El Salvador	1,367.0	3,716.4	5,083.4	1,144.1	6,227.5	1	3	6	10	1	1	3	5	15
Guatemala	1,855.0	7,783.6	9,638.6	2,229.9	11,868.5	1	8	8	17	2	3	5	10	27
Guyana	1,298.0	350.2	1,648.2	736.5	2,384.7	0	2	5	7	1	1	2	4	11
Haiti	3,943.0	3,447.1	7,390.1	2,070.9	9,461.0	5	4	8	17	3	2	8	13	30
Honduras c/	1,732.0	7,448.1	9,180.0	1,233.8	10,413.8	0	6	8	14	2	2	6	10	24
Jamaica c/	1,237.4	1,146.9	2,384.3	1,021.0	3,405.3	1	2	4	7	1	2	4	7	14
Mexico c/	1,735.5	3,500.0	5,235.5	2,517.7	7,753.2	3	1	4	8	3	0	8	11	19
Nicaragua	1,803.0	10,786.3	12,589.3	1,937.8	14,527.1	2	4	12	18	2	3	5	10	28
Panama c/	1,207.5	584.6	1,792.0	384.5	2,176.5	0	2	2	4	1	0	1	2	6
Paraguay c/	1,391.2	820.0	2,211.2	885.6	3,096.8	0	2	5	7	2	1	3	6	13
Peru c/	1,934.7	6,818.1	8,752.8	2,601.9	11,354.7	1	6	8	15	2	3	7	12	27
Uruguay c/	1,284.5	125.4	1,409.9	612.1	2,022.0	1	1	0	2	1	0	2	3	5
Venezuela c/	1,379.5	3,538.9	4,918.5	813.9	5,732.4	0	2	2	4	1	1	2	4	8
Subregional programme	0.0	276.5	276.5	0.0	276.5	0	0	0	0	0	0	0	0	0
Central cost	0.0	0.0	0.0	284.0	284.0	0	0	0	0	0	0	0	0	0
Subtotal for 2002-2003	43,590.7	103,468.4	147,059.0	43,760.9	190,819.9	33	91	162	286	61	41	127	229	515

	2002-2003													
	PROGRAMME BUDGET			SUPPORT BUDGET	Grand total	POSTS								
						Programme budget				Support budget				Grand total
	Regular resources a/	Other resources b/	Total resources			IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	
COUNTRIES WITHIN REGIONS														
EAST ASIA AND THE PACIFIC REGION														
Regional Office	800.0	3,000.0	3,800.0	7,461.9	11,261.9	2	1	2	5	15	3	33	51	56
Cambodia	5,265.0	17,177.2	22,442.2	2,948.2	25,390.4	11	16	32	59	5	1	8	14	73
China c/	22,048.5	11,195.8	33,244.3	3,999.1	37,243.4	11	0	0	11	6	0	0	6	17
Democratic People's Republic of Korea	2,033.0	8,957.0	10,990.0	1,894.8	12,884.8	5	0	0	5	3	0	2	5	10
East Timor	1,521.0	8,153.1	9,674.1	1,588.9	11,263.0	7	1	4	12	3	0	5	8	20
Indonesia c/	11,767.8	23,579.6	35,347.4	2,565.2	37,912.6	14	26	31	71	4	2	13	19	90
Lao People's Democratic Republic	3,046.0	3,946.0	6,992.0	1,698.5	8,690.5	4	14	12	30	4	2	10	16	46
Malaysia c/	957.7	0.0	957.7	288.5	1,246.2	0	0	2	2	1	0	1	2	4
Mongolia	1,738.0	1,046.7	2,784.7	1,097.5	3,882.2	2	3	4	9	2	1	5	8	17
Myanmar	11,649.0	9,775.3	21,424.3	2,450.3	23,874.6	7	18	21	46	4	3	12	19	65
Pacific Island countries	4,000.0	1,243.5	5,243.5	1,214.4	6,457.9	2	2	3	7	2	1	6	9	16
Papua New Guinea	2,123.0	185.9	2,308.9	1,371.7	3,680.6	2	2	2	6	3	0	6	9	15
Philippines c/	4,860.4	8,293.2	13,153.6	1,936.7	15,090.3	1	17	12	30	2	3	15	20	50
Thailand c/	1,947.0	4,664.4	6,611.4	1,442.5	8,053.9	2	5	7	14	2	1	4	7	21
Viet Nam	7,209.0	12,000.0	19,209.0	2,311.9	21,520.9	11	22	19	52	4	2	12	18	70
Subtotal for 2002-2003	80,965.3	113,217.5	194,182.8	34,270.1	228,452.9	81	127	151	359	60	19	132	211	570
SOUTH ASIA REGION														
Regional Office	800.0	8,000.0	8,800.0	5,860.2	14,660.2	5	0	1	6	11	6	21	38	44
Afghanistan	19,006.0	12,000.0	31,006.0	2,379.2	33,385.2	14	18	46	78	3	3	9	15	93
Bangladesh c/ d/	19,668.2	49,741.8	69,409.9	5,412.1	74,822.0	13	44	59	116	6	8	23	37	153
Bhutan	1,756.0	2,196.6	3,952.6	1,180.8	5,133.4	1	3	10	14	3	1	6	10	24
India c/	64,456.1	89,116.7	153,574.8	7,880.4	161,455.2	24	83	140	247	7	9	55	71	318
Maldives	1,234.0	40.5	1,274.5	604.7	1,879.2	0	2	1	3	1	0	4	5	8
Nepal	8,637.0	12,050.0	20,687.0	2,629.4	23,316.4	5	34	38	77	5	1	15	21	98
Pakistan c/	26,142.7	18,714.7	44,857.4	3,460.2	48,317.6	8	27	66	101	5	2	21	28	129
Sri Lanka c/	1,571.4	7,312.9	8,884.2	1,930.2	10,814.4	3	10	14	27	3	1	14	18	45
Subtotal for 2002-2003	143,273.3	199,173.2	342,446.5	31,337.2	373,783.7	73	221	375	669	44	31	168	243	912

	2002-2003													
	PROGRAMME BUDGET			SUPPORT BUDGET	Grand total	POSTS								
						Programme budget				Support budget				Grand total
	Regular resources a/	Other resources b/	Total resources			IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	
COUNTRIES WITHIN REGIONS														
MIDDLE EAST AND NORTH AFRICA REGION														
Regional Office c/	881.1	1,700.0	2,581.1	8,183.2	10,764.3	1	0	5	6	16	6	27	49	55
Algeria c/	2,269.4	629.9	2,899.3	1,281.7	4,181.0	0	6	6	12	2	1	5	8	20
Djibouti	1,387.0	357.6	1,744.6	1,190.3	2,934.9	0	2	6	8	3	0	1	4	12
Egypt c/	4,873.0	5,842.8	10,715.8	2,205.0	12,920.8	2	9	10	21	4	1	10	15	36
Iran (Islamic Republic of) c/	3,432.8	487.9	3,920.7	1,075.5	4,996.2	1	6	6	13	1	2	5	8	21
Iraq d/	3,669.0	157,588.5	161,257.5	1,695.2	162,952.7	3	8	14	25	2	2	5	9	34
Jordan c/	1,493.6	467.7	1,961.3	932.1	2,893.4	1	4	6	11	1	1	2	4	15
Palestinian children and women in Jordan	400.0	0.0	400.0	0.0	400.0	0	0	0	0	0	0	0	0	0
Lebanon c/	1,364.6	1,023.1	2,387.7	1,624.0	4,011.7	0	3	5	8	2	1	6	9	17
Palestinian children and women in Lebanon	700.0	376.0	1,076.0	0.0	1,076.0	0	0	0	0	0	0	0	0	0
Morocco c/	3,058.2	680.2	3,738.4	1,512.7	5,251.1	1	3	10	14	2	2	5	9	23
Oman c/	934.5	14.4	948.8	1,296.6	2,245.4	1	0	4	5	2	1	4	7	12
Palestinian children and women in the occupied Palestinian territory	1,700.0	2,448.8	4,148.8	1,343.8	5,492.6	1	4	6	11	2	1	4	7	18
Saudi Arabia (Gulf Area Office) c/	134.6	0.0	134.6	968.9	1,103.5	0	0	0	0	1	0	4	5	5
Sudan	9,470.0	23,139.4	32,609.4	3,302.5	35,911.9	8	18	39	65	3	3	11	17	82
Operation Lifeline Sudan	0.0	45,702.1	45,702.1	1,594.0	47,296.1	22	9	36	67	0	0	0	0	67
Syrian Arab Republic c/	1,956.8	128.8	2,085.6	886.5	2,972.1	1	2	5	8	1	2	5	8	16
Palestinian children and women in the Syrian Arab Republic	400.0	124.7	524.7	0.0	524.7	0	0	0	0	0	0	0	0	0
Tunisia c/	1,401.5	596.3	1,997.8	967.6	2,965.4	1	2	6	9	1	3	4	8	17
Yemen d/	6,962.0	17,009.6	23,971.6	1,881.5	25,853.1	4	15	25	44	3	2	8	13	57
Central cost	0.0	0.0	0.0	600.0	600.0	0	0	0	0	0	0	0	0	0
Subtotal for 2002-2003	46,466.0	258,317.7	304,805.7	32,541.1	337,346.8	47	91	189	327	46	28	106	180	507

	2002-2003													
	PROGRAMME BUDGET			SUPPORT BUDGET	Grand total	POSTS								
						Programme budget				Support budget				Grand total
	Regular resources a/	Other resources b/	Total resources			IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	
COUNTRIES WITHIN REGIONS														
CEE, CIS AND THE BALTIC STATES REGION														
Regional Office (incl. multi-country programme)	7,800.0	6,792.6	14,592.6	7,450.1	22,042.7	4	0	1	5	13	0	7	20	25
Albania	1,333.0	11,066.6	12,399.6	870.8	13,270.4	4	5	3	12	1	1	4	6	18
Armenia	1,351.0	794.0	2,145.0	559.9	2,704.9	1	5	5	11	1	2	4	7	18
Azerbaijan	1,768.0	1,328.8	3,096.8	994.9	4,091.7	1	4	5	10	2	1	3	6	16
Belarus e/	0.0	407.6	407.6	214.8	622.4	0	3	2	5	0	1	1	2	7
Bosnia and Herzegovina	1,254.0	8,473.4	9,727.4	1,531.9	11,259.3	3	5	9	17	1	1	5	7	24
Central Asian republics and Kazakhstan Area Office	1,809.0	469.1	2,278.1	2,066.2	4,344.3	6	2	7	15	4	0	8	12	27
Croatia c/	229.8	1,659.0	1,888.8	0.0	1,888.8	0	0	0	0	0	0	0	0	0
Federal Republic of Yugoslavia (and area office) c/	672.1	28,000.0	28,672.1	1,389.0	30,061.1	10	6	6	22	4	0	4	8	30
Georgia (and Caucasus Area Office)	1,321.0	1,787.6	3,108.6	1,118.1	4,226.7	1	4	4	9	2	1	4	7	16
Kyrgyzstan	1,844.0	231.5	2,075.5	560.0	2,635.5	0	1	3	4	1	1	2	4	8
Republic of Moldova	1,426.0	1,461.5	2,887.5	498.1	3,385.6	1	3	3	7	1	1	3	5	12
Romania	1,429.0	1,748.7	3,177.7	711.1	3,888.8	1	4	3	8	1	1	5	7	15
Russian Federation e/	0.0	522.2	522.2	1,170.1	1,692.3	2	4	1	7	2	1	3	6	13
Tajikistan	2,494.0	1,818.3	4,312.3	650.4	4,962.7	1	1	4	6	1	2	2	5	11
The former Yugoslav Republic of Macedonia c/	1,227.5	11,010.4	12,237.9	716.9	12,954.8	2	1	4	7	1	1	3	5	12
Turkey	1,818.0	13,189.0	15,007.0	1,269.5	16,276.5	0	3	4	7	3	0	4	7	14
Turkmenistan	1,816.0	550.6	2,366.6	538.7	2,905.3	0	1	3	4	1	1	2	4	8
Ukraine e/	0.0	103.8	103.8	493.7	597.5	0	3	3	6	1	2	0	3	9
Uzbekistan	3,682.0	1,230.3	4,912.3	585.6	5,497.9	0	1	3	4	1	2	2	5	9
Subtotal for 2002-2003	33,274.4	92,644.8	125,919.2	23,389.8	149,309.0	37	56	73	166	41	19	66	126	292

	2002-2003													
	PROGRAMME BUDGET					POSTS								
	Regular resources a/	Other resources b/	Total resources	SUPPORT BUDGET	Grand total	Programme budget IP	NP	GS/Oth.	Total	Support budget IP	NP	GS/Oth.	Total	Grand total
COUNTRIES WITHIN REGIONS														
Intercountry programmes														
Intercountry programmes g/	12,670.0	25,000.0	37,670.0	0.0	37,670.0	28	0	0	28	0	0	0	0	28
Innocenti Research Centre (Florence) f/	0.0	5,742.8	5,742.8	378.6	6,121.4	7	0	11	18	0	0	0	0	18
Subtotal for 2002-2003	12,670.0	30,742.8	43,412.8	378.6	43,791.4	35	0	11	46	0	0	0	0	46
Central programme support														
Country and regional offices	0.0	0.0	0.0	16,547.3	16,547.3	0	0	0	0	0	0	0	0	0
Headquarters f/	0.0	0.0	0.0	77,084.3	77,084.3	0	0	0	0	0	0	0	0	0
Subtotal for 2002-2003	0.0	0.0	0.0	93,631.6	93,631.6	0	0	0	0	0	0	0	0	0
Management and administration	0.0	0.0	0.0	193,052.7	193,052.7	0	0	0	0	278	1	264	543	543
Income to the budget														
Country and regional offices	0.0	0.0	0.0	-5,000.0	-5,000.0	0	0	0	0	0	0	0	0	0
Headquarters programme support	0.0	0.0	0.0	-8,500.0	-8,500.0	0	0	0	0	0	0	0	0	0
Management and administration	0.0	0.0	0.0	-9,300.0	-9,300.0	0	0	0	0	0	0	0	0	0
Subtotal	0.0	0.0	0.0	-22,800.0	-22,800.0	0	0	0	0	0	0	0	0	0
Total, Programme and programme support														
Country and regional offices	674,207.9	1,138,611.5	1,812,819.4	290,653.4	2,103,472.8	518	1,031	1,824	3,373	452	242	1,036	1,730	5,103
Headquarters	12,670.0	30,742.8	43,412.8	68,962.9	112,375.7	35	0	11	46	129	0	121	250	296
Unallocated programmes d/	-16,877.9	389,645.7	372,767.8	0.0	372,767.8	0	0	0	0	0	0	0	0	0
Total, Programme and programme support	670,000.0	1,559,000.0	2,229,000.0	359,616.3	2,588,616.3	553	1,031	1,835	3,419	581	242	1,157	1,980	5,399
Management and administration	0.0	0.0	0.0	183,752.7	183,752.7	0	0	0	0	278	1	264	543	543
Other resources support posts														
Relating to reimbursement for services	0.0	0.0	0.0	0.0	0.0	18	4	29	51	0	0	0	0	51
Relating to programmes	0.0	0.0	0.0	0.0	0.0	9	0	2	11	0	0	0	0	11
GRAND TOTAL for 2002-2003	670,000.0	1,559,000.0	2,229,000.0	543,369.0 g/	2 772,369.0	580	1,035	1,866	3,481	859	243	1,421	2,523	6,004

(Notes on following page)

Notes

[a] Regular resources reflect the estimated planning levels and estimated proceeds from cards sales.

[b] Estimates for other resources are extrapolated using 1999-2000 estimated expenditures and recent indicators. The estimates include trust funds.

[c] Programme budget for regular resources includes proceeds from cards sales.

[d] Proposed budget for other resources includes trust funds.

[e] Included in the multi-country programme above.

[f] Programme support budget for the Innocenti Research Centre is excluded from total programme support for headquarters in this table.

[g] Comprising net support budget proposal from regular resources of $477.9 million and $65.5 million recovery funded from other resources and trust funds (see table 1).

Annex IV

PRIVATE SECTOR DIVISION INCOME AND EXPENDITURES
2001 REVISED and 2002-2003 PLAN

(In millions of United States dollars)

	2001 Revised	2002 Plan	2003 Plan
Budgeted income			
Gross proceeds - product sales	123.5	130.0	133.0
Deduct: National Committees' retention	27.2	28.6	29.3
Net proceeds	96.3	101.4	103.7
Add: Other income - net	6.8	7.0	7.0
Net proceeds - product sales	103.1	108.4	110.7
Private sector fund-raising - regular resources	160.0	172.0	182.0
Total net proceeds - regular resources	263.1	280.4	292.7
Budgeted expenditures			
Commissions - field offices	1.5	1.6	1.7
Cost of goods delivered	29.5	30.0	30.0
Marketing expenditures	18.4	21.0	20.1
Support Services	18.1	18.0	17.0
Fund-raising and Market Development	13.6	14.8	13.9
Total expenditures - consolidated	81.1	85.4	82.7
Currency adjustments	(12.0)		
Net consolidated income - regular resources	170.0	195.0	210.0
Add: Other resources - private sector fund-raising	140.0	140.0	140.0
Net consolidated income - regular resources and other resources for Private Sector Division	310.0	335.0	350.0
Other private sector contributions	60.0	60.0	60.0
Total income estimates from private sector	**370.0**	**395.0**	**410.0**

Annex V

CHANGES IN PROFESSIONAL POSTS IN THE SUPPORT BUDGET DURING THE BIENNIUM 2000-2001

Establishments

Office	Level	Title
Conversion between national and international Professional posts.		
Indonesia	P-3	HR Officer
Fiji	P-3	Operations Officer
Sri Lanka	P-3	Operations Officer
Middle East and North Africa regional office	P-3	Operations Officer
Middle East and North Africa regional office	NO-B	Assistant Administrative and HR Officer
Bolivia	P-3	Communication Officer
Bolivia	P-4	Operations Officer
Brazil	P-4	Operations Officer
The Americas and the Caribbean regional office	P-3	Programme Officer
The Americas and the Caribbean regional office	P-2	Assistant HR Officer
The Americas and the Caribbean regional office	P-2	Assistant Operations Officer
Paraguay	P-3	Programme Officer
Japan	P-3	Operations Officer
Viet Nam	NO-C	IT Officer
Offset by abolishment of senior General Service posts.		
Mauritius	NO-B	Assistant Operations Officer
Bangladesh	NO-A	Assistant HR Officer
Middle East and North Africa regional office	NO-B	Assistant Operations Officer
Guatemala	NO-A	Assistant IT Officer
Offset by another Professional post.		
Gabon	P-5	Area Representative
The Americas and the Caribbean regional office	P-3	Communication Officer
Viet Nam	P-4	Communication Officer
Other new posts.		
The Americas and the Caribbean regional office	P-2	Assistant Programme Officer
Guyana	NO-B	Assistant Operations Officer
Suriname	NO-A	Assistant Accounts and Finance Officer
Haiti	NO-B	Assistant Administrative and Personnel Officer

Abolishments

Office	Level	Title
Conversion between national and international Professional posts.		
Indonesia	NO-C	Personnel Officer
Viet Nam	P-3	IT Officer
Fiji	NO-C	Operations Officer
Sri Lanka	NO-C	Operations Officer
Middle East and North Africa regional office	NO-C	Operations Officer
Jordan	NO-C	Operations Officer
Bolivia	NO-C	Information/Communication Officer
Bolivia	NO-D	Operations Officer
Brazil	NO-D	Operations Officer
Colombia	NO-A	Assistant Finance Officer
The Americas and the Caribbean regional office	NO-C	Administrative Officer
The Americas and the Caribbean regional office	NO-C	Planning Officer
Paraguay	NO-C	Programme Officer
Tokyo	NO-C	Operations Officer
Offset by another Professional post.		
Sao Tome and Principe	P-4	Assistant Representative
Viet Nam	P-2	Assistant Finance Officer
Panama	NO-B	Assistant Administrative and Accounts Officer
Other abolishments		
Indonesia	NO-A	Assistant Administrative Officer
Democratic People's Republic of Korea	NO-B	Assistant Administrative Officer
Democratic People's Republic of Korea	NO-A	Assistant IT Officer
Uganda	NO-B	Assistant Administrative Personnel Officer

Summary

	IP	NP	Total
New Professional posts	16	9	25
Abolishment of Professional posts	-3	-18	-21
Net difference	13	-9	4

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United Nations Children's Fund Biennial Support Budget for 2002-2003

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director of the United Nations Children's Fund on the biennial support budget for 2002-2003 (E/ICEF/2001/AB/L.10). The Committee also had before it the report on internal audit activities in 2000 (E/ICEF/2001/AB/L.7). During its consideration of the item, the Committee met with representatives of the Executive Director, who provided additional information.

General observations

2. The Advisory Committee notes the progress made in the overall presentation of the budget document; however, it believes that some further improvements will enhance the transparency of the estimates and the comprehension of the information presented. For example, the Committee notes an excessive use of acronyms in the narratives that may distract from an easy understanding of what is being read. More broadly, the Committee notes the statement in paragraph 1 (E/ICEF/2001/AB/L.10) that UNICEF has limited information to summary levels "so that Executive Board members can focus on strategic financial decision-making". While the Committee appreciates the streamlined presentation, care should be taken not to compromise transparency and adequate resource justification.

* E/ICEF/2001/12.

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3. The Advisory Committee further notes the statement on priorities and resource allocation that "the budget strategy, contained in paragraphs 11-16 below, shows how UNICEF aligns the support budget to the MTSP priorities" (E/ICEF/2001/AB/L.10, para. 2). In the view of the Committee, this is not clear from the information contained in paragraphs 11-16 of the document. The Committee notes that, in paragraph 11 of the budget report, five priorities are shown; but it is not clear to the Committee how resources in the support budget and in the programme of work are linked to the attainment of the five priorities. In future, the Committee recommends that this shortcoming be addressed.

4. The Advisory Committee notes that several references are made to results and accountability in the budget document. The Committee is aware that in recent years, there has been an increasing demand for performance, results and accountability in the debate in the Executive Board. In the opinion of the Committee, results and accountability would be considerably promoted by improved planning for results and by putting in place appropriate and effective tools to measure performance. The Committee notes the information in paragraphs 81-89 of the report of the Executive Director on effective performance management system (E/ICEF/2001/4 (Part II)). The Committee also recalls recommendations of the Board of Auditors on developing non-financial performance indicators to measure performance (see A/56/66/Add.1, paras. 219-223 and E/ICEF/2001/AB/L.8, paras. 20-24). Accordingly, the Committee requests that in the next budget presentation, a clear indication should be made of the progress made in developing better tools for measuring performance and expected results for which the UNICEF administration would be held accountable. The Committee requests that this information be included in the support budget proposals of the Executive Director.

5. The Advisory Committee recalls its recommendation in paragraph 6 of its report of 5 April 2000 (E/ICEF/2000/AB/L.4), indicating that the most appropriate time to discuss the biennial support budget would be before the financial period starts, not in January when the period has already begun. In that connection, the Advisory Committee was informed that UNICEF will continue to raise the possibility of a December Executive Board meeting with the United Nations Committee on Conferences so that the budget could be approved before the start of the biennium. The Committee notes that for the biennial support budget for 2000-2003, the second regular session of 2001 of the Executive Board is scheduled for 10-14 December 2001.

Income and expenditure

6. The Advisory Committee was provided with expenditure projections for the support budget for 2000-2001 of $510.9 million gross, as compared with the approved appropriations of $545.5 million gross for 2000-2001. The projected unencumbered balance of $34.6 million gross, or 6.3 per cent of the approved appropriation, includes projected underexpenditure of $27.9 million under staff costs and of $11.7 million under operating expenses, offset mainly by projected overexpenditure of $4.7 million under furniture and equipment and of $0.3 million under consultants. Taking into account an increase in income to the biennial support budget of $12.2 million, the net support budget expenditure is projected at $430.9 million for 2000-2001, reflecting an unencumbered balance of $46.8 million, or 9.8 per cent, as compared with the net approved appropriation of $477.7 million (see annex I to this report).

7. Upon enquiry, the Advisory Committee was informed that underexpenditure in personnel costs resulted from deliberate management action geared to leave vacant posts unfilled, especially in units undergoing reorganization (e.g. the programme group at headquarters). The Committee was informed that, as of September 2001, the vacancy rate for international Professional posts was 9 per cent, while the budget for 2000-2001 assumed a vacancy rate of 6 per cent for international Professional posts. However, the recruitment process was proceeding rapidly, and by year-end it will be less than the vacancy rate assumed in the budget, as the average recruitment time for UNICEF is about four months, and efforts are under way to shorten further this recruitment time. The Committee welcomes this development.

8. The Advisory Committee was also informed that in five to six years, a large number of UNICEF staff would be retiring. The Committee was informed, upon request, that from 2001 to 2006, 168 international Professionals will reach retirement age (55 at headquarters and 113 in the field). In the view of the Committee, this affords an opportunity to rejuvenate the organization.

9. Upon enquiry, the Advisory Committee was informed that the projected support budget expenditure of $510.9 million gross for 2000-2001 included approximately $8.4 million for staff security. In addition, staff security expenditure under the programme budget is estimated at $12 million in 2000-2001. The projected overexpenditure in furniture was due partly to security requirements in the field, as it was expected that more might be needed after 11 September. It was estimated that between $2 million to $3 million of additional requirements would be needed for staff security by year-end. At present, there are 17 staff members (either on a post, temporary fixed-term or contracts) designated for staff security. Out of the 17 staff, one works in the Office of the United Nations Security Coordinator, where costs are shared with two other agencies; nine work in the Operations Centre at headquarters, supporting the field; and seven work in the field offices. In addition, there are 61 inter-agency field security officers for which UNICEF shares the cost.

10. Upon enquiry, the Advisory Committee was informed that information technology (IT) expenditure for 2000-2001 was estimated at $44.6 million as compared with the approved budget of $47.3 million (see E/ICEF/2001/AB/L.10, table 11). The 2000-2001 estimated expenditure included $24.4 million for staff costs; $9.3 million for contractual services for maintenance; $10.2 million for acquisition of hardware, software and supplies; and $0.7 million for other items.

11. Table 1 of document E/ICEF/2001/AB/L.10 shows that for the biennium 2002-2003, total projected resources would amount to $3,351.8 million, reflecting an increase of 26.7 per cent, as compared with total planned resources of $2,646.2 million for the biennium 2000-2001. For 2002-2003, total regular resources are projected at $1,257.2 million, reflecting an 8.4 per cent decrease, as compared with planned total regular resources of $1,362.2 million for 2000-2001. Other resources are projected at $1,607.0 million for 2002-2003, reflecting an increase of 37.3 per cent, as compared with other resources of $1,170.0 million for 2000-2001; and total trust funds are projected at $487.6 million, or 327.7 per cent higher, as compared with trust funds of $114.0 million for 2000-2001.

12. The Advisory Committee notes that government contributions to regular resources projected at $682.2 million for 2002-2003 decrease by 5.4 per cent, as compared with government contributions to regular resources of $721.2 million planned for 2000-2001; and private sector contributions to regular resources

projected at $405 million for 2002-2003 decrease by 2.9 per cent, as compared with private sector contributions of $417 million for 2000-2001 (E/ICEF/2001/AB/L.10, table 1).

13. Total programme resources are projected at $2,229 million, reflecting an increase of 30.5 per cent, as compared to total programme resources of $1,708 million for 2000-2001. The Advisory Committee notes that the programme estimates under regular resources decrease by 13 per cent from $770 million for 2000-2001 to a projected programme of $670 million for 2002-2003. Total programme support and management and administration costs are projected at $543.4 million for 2002-2003, reflecting a 5 per cent increase, as compared with total programme support and management and administration costs estimated at $517.7 million for 2000-2001 (E/ICEF/2001/AB/L.10, table 1). Annex III to the budget document shows a breakdown of the programme budget estimates by countries within regions, as compared to the biennial support budget. The Advisory Committee welcomes the inclusion of that annex in the budget document.

14. The Advisory Committee notes from table 2 of the budget document that planned regular resources of $1,362.2 million for 2000-2001, adjusted by excluding the opening balance of $144 million and adding the adjustment for taxes of $15.8 million (see paragraph 22 below), indicated in the footnote to table 2, would decrease further from $1,234 million for 2000-2001 to a revised projection of $1,108 million, or a 10.2 per cent decrease. Other resources and trust funds and reimbursements would increase from $1,000 million planned for 2000-2001 to a revised projection of $1,458 million, or 45.8 per cent.

15. In the view of the Committee, the Executive Director should review the policy implication of the rapid increase in other resources and trust funds, as compared with regular resources. The review should include the effect, if any, on priorities in planning and in programme formulation and approval, as well as in terms of the management capacity of the administration in situations where regular resources are decreasing with inadequate recovery from other resources and trust funds.

16. The Advisory Committee notes from paragraph 6 of the budget report that, as requested by the Committee (E/ICEF/1999/AB/L.10, para. 7), the terminology of "special accounts", previously used by UNICEF, has been changed to "trust funds" in its financial reports. Accordingly, this has been reflected in the UNICEF financial statement for the biennium ended 31 December 1999 (A/55/5/Add.2) and in the current budget proposal. The Committee was informed that UNICEF trust funds not related to programmes approved by the UNICEF Executive Board are not entered in the financial accounts of UNICEF as income and expenditure. These funds are used mainly to cover the cost of goods and services purchased and delivered on a reimbursable basis by UNICEF on behalf of Governments, other agencies in the United Nations system and non-governmental organizations (see also A/55/5/Add.2, chap. I, para. 5). While the Committee does not object to this treatment, it stresses that all funds in the custody of the Executive Director and contributed for activities in the programme of work approved by the Executive Board should be recorded as income.

II. Biennial support budget estimates for 2002-2003

17. As shown in table 1 of the budget document for 2002-2003, the biennial budget estimates funded under regular resources amount to $566.2 million gross ($477.9 million net), as compared to $545.5 million gross ($477.7 million net) for 2000-2001.

18. Estimated income and adjustments to the biennial support budget amounts to $88.3 million for 2002-2003 (including $61.5 million from recovery charges), as compared to estimated income to the support budget of $67.8 million for 2000-2001 (including income from recovery charge of $40.0 million). Recovery charges are to cover the costs for programme support and management and administration; the methodology upon which the recovery charges are currently based is discussed briefly in paragraphs 96-98 of document E/ICEF/1999/AB/L.7.

19. The Advisory Committee notes from table 1 and paragraph 8 of the budget document that recovery charges projected in the amount of $61.5 million for 2002-2003 are based on current UNICEF policy of recovering 5 per cent from other resources and 3 per cent from trust funds. Actual recovery from other resources (including fees from administration of trust funds) would amount to $55.0 million for 2000-2001. The Advisory Committee notes that UNICEF intends to review its recovery policy in 2002 after the United Nations Joint Inspection Unit completes a system-wide study on the subject.

20. The Advisory Committee was informed upon request that the total trust fund resources of $435 million, shown as programme resources in table 1 of the budget document for 2002-2003, comprise estimated amounts of $265 million from the Global Alliance for Vaccines and Immunization (GAVI), $150 million for the Oil-for-Food programme in Iraq, with the remainder of $20 million mainly for projects funded by the World Bank. Except for GAVI, a 3 per cent recovery charge amounting to $5 million is estimated to recover the costs UNICEF would incur from the support budget for these projects. For GAVI, separate posts and other related costs totalling $4 million for 2002-2003 have been identified to support the administration of this trust fund. In total, as shown in table 1, support costs for trust funds amount to $9 million.

21. The Advisory Committee recalls its observations in paragraphs 12-14 of its report of 23 August 1999 (E/ICEF/1999/AB/L.10) on the UNICEF recovery policy and methodology, where it, inter alia, questioned the appropriateness of using future interest income to determine the recovery rate (E/ICEF/1999/AB/L.10, para. 12). The Advisory Committee also questioned the procedure whereby interest income that is credited to regular resources would, in fact, be used to offset support costs as it would not provide a clear accounting trail. At that time, the Committee also reiterated its view that, in light of potential fluctuations in the pattern of receipts and disbursements of other resources, as well as fluctuations in exchange rates and interest rates, it would not be prudent, as a matter of policy, to rely on interest income accruing on cash balances of other resources to cover shortfalls in support costs recovery (E/ICEF/1999/AB/L.10, para. 13). Under the circumstances, the Advisory Committee reiterates its previous recommendation that UNICEF continue to compile adequate data so that it would be able to calculate, in due course, a recovery rate that should further reduce the apparent subsidy from regular resources (E/ICEF/1999/AB/L.10, para. 14).

22. The Advisory Committee notes that, in accordance with its recommendation in paragraphs 15 and 16 of document E/ICEF/1999/AB/L.10, the amount needed to refund staff members for income taxes levied by Member States is charged to contributions income, with the same amount credited to the biennial support budget. The Committee agreed that the introduction of an accounting linkage with voluntary contributions of Member States that collect such income taxes would allow for a more appropriate presentation of the net biennial budget costs (E/ICEF/1998/AB/L.2, para. 32). Thus, for 2002-2003, in accordance with this procedure, the amount of $15.8 million (unchanged from 2000-2001) needed to refund staff members for income taxes levied by Member States has been excluded from income under government contributions, with the same amount of $15.8 million included under estimated income to the biennial support budget (E/ICEF/2001/AB/L.10, table 1 and para. 9).

23. As shown in table 5 of document E/ICEF/2001/AB/L.10, the gross budget estimates of $566.2 million for 2002-2003 increase by $20.7 million, or 3.8 per cent, as compared to approved gross appropriations for 2000-2001 of $545.5 million, reflecting a volume increase of $9.4 million and a cost increase due to inflation/currency and other cost adjustments estimated at $11.3 million. The net budget estimates of $477.9 million for 2002-2003 show a near non-growth budget, as compared with the net approved support budget of $477.7 million for 2000-2001, reflecting an increase in estimated income to the support budget of $20.5 million from $67.8 million for 2000-2001 to $88.3 million for 2002-2003.

24. As shown in table 4 of document E/ICEF/2001/AB/L.10, the volume increase of $9.4 million for 2002-2003 includes increases of $24.5 million, partially offset by decreases of $15.1 million. Tables 7 and 8 of the budget document show that for 2002-2003, the total number of posts proposed under the biennial support budget is 2,523 (859 international Professionals, 243 National Professionals and 1,421 General Service and other categories of staff), as compared with the authorized staffing for 2000-2001 of 2,467 posts (790 international Professionals, 244 National Professionals and 1,433 General Service and other categories of staff). For 2002-2003, the Executive Director proposes an increase of 69 international Professional posts (5 D-1, 4 P-5, 14 P-4, 27 P-3 and 19 P-2), and a reduction of 1 National Professional and 12 General Service posts. The proposed increase of 69 international Professional posts comprises 26 additional posts for country offices, 17 posts for regional offices and 26 posts for headquarters. The proposal also includes the transfer of 11 posts from the Private Sector Division (PSD) and the conversion of 25 temporary staff and consultants in the Information Technology Division (ITD) (E/ICEF/2001/AB/L.10, para. 21, table 7 and summary table III). In view of the projected decrease of regular resources indicated in paragraph 13 above, the Advisory Committee is not convinced that there is sufficient merit to approve all the new international Professional posts requested for the biennium 2002-2003.

25. Annex III to the budget document show that, for the biennium 2002-2003, total posts at UNICEF would amount to 6,004, comprising 2,523 posts under the biennial support budget covered by regular resources and 3,481 posts under the programme budget. The Committee notes that posts under the programme budget include 62 posts (27 international Professional, 4 National Professional and 31 General Service) charged to other resources relating to reimbursements and to programmes. In this connection, the Committee was informed that for GAVI, there are 11 posts funded from support cost charges, as shown in summary table III against the line

"Other resources relating to programmes". This is also shown in summary table IV (a) and IV (b) (see also E/ICEF/AB/L.10, para. 27).

26. The Advisory Committee notes that for the biennium 2002-2003, the vacancy rate of 6 per cent for international Professional posts has been maintained. The annual average inflation rate is projected at 3 per cent for headquarters and 5 per cent for the field (E/ICEF/2001/AB/L.10, para. 28).

27. The Advisory Committee notes from summary table II that cost estimates for posts for 2002-2003 of $386.8 million increase by 6.1 per cent, as compared with cost estimates for posts for 2000-2001 of $364.4 million, while other staff costs of $15.1 million for 2002-2003 decrease by 38.1 per cent, as compared with other staff costs for 2000-2001 of $24.6 million. The provision for consultants estimated at $13.7 million for 2002-2003 increases by 218.6 per cent, as compared with consultant estimates for 2000-2001 of $4.3 million. Upon request, the Committee was informed that the total consultancy budget increases by $9.4 million as a result of the need to reflect correctly the real increases in consultancy costs, which included $2.3 million estimated for the new IT project requirements, $2.5 million for contractual services previously charged to operating costs and $4.6 million of other consultants costs previously charged to staff costs.

28. While the Committee appreciates this rationalization of consultants' costs, it maintains its concern that funds for consultants and temporary assistance should not be used to provide for continuing staff needs (see, for example, paragraph 42 below).

29. As indicated in paragraph 30 of document E/ICEF/2001/AB/L.10, "UNICEF has 126 country and area offices and 7 regional offices supporting programme cooperation in 162 countries and territories". The Advisory Committee notes from table 9 of the budget document that the ratio of the support budget to programme expenditure estimates by regions fluctuates between 9 to 30 per cent. Summary table III of the budget document, however, shows very high support costs for many country offices, in several cases over 50 per cent. The Advisory Committee acknowledges that in small offices with low programme operations, support is bound to be high since there has to be the minimum administrative expenditure to support UNICEF presence in the country concerned. The Committee observes that it is essential for UNICEF to monitor the viability of the small offices to ascertain whether other options could be pursued to ensure better the impact of UNICEF programmes and activities in all the areas of UNICEF presence.

30. Annex V shows changes in Professional posts in the support budget during the biennium 2000-2001 as a result of the flexibility of reclassification of posts granted by the Executive Board to the Executive Director in its decision 2000/7 of 25 May 2000 (E/ICEF/2000/8/Rev.1) on modifications to the budget process. The Advisory Committee notes that 25 new Professional posts (16 international Professional and 9 National Professional) were established, and 21 Professional posts (3 international Professional and 18 National Professional) were abolished. The Committee further notes that 12 posts were converted from national to international positions. In this connection, the Committee requests that, in future, the reasons for these changes be provided in summary form as well as the budgetary effect on the estimates, if any.

31. The Advisory Committee understands from representatives of the Executive Director and from paragraph 31 of the budget document that efforts are being made

to increase the international character of UNICEF. Currently, UNICEF has 970 international Professionals and 1,273 National Professionals in field offices (see E/ICEF/2001/AB/L.10, annex III). The Committee was also informed that UNICEF plans to have at least two international officers per field office. It was stressed that in some regions (e.g. the Americas and Caribbean), National Professionals were more expensive than international Professionals. In the view of the Committee, this goal should be balanced against programme needs, cost-effectiveness, and the need to establish and promote local expertise through National Professionals.

32. The Advisory Committee notes the reorganization of programme units at headquarters discussed in paragraphs 80-90 and table 10 of the budget document. The number of posts in the support budget for these units would be reduced from 170 to 163 posts, and the support budget would total $44.7 million compared with a support budget for these units of $44.4 million in 2000-2001. Upon request, the Committee was informed that had the programme group maintained the same level of staffing, the budget would have to be $2 million higher than currently proposed.

33. Paragraphs 91-94 discuss the Supply Division. The Division is funded from the biennial support budget, GAVI and procurement services. The assessment of supply assistance in 14 field offices by the UNICEF Office of Internal Audit is contained in paragraphs 27-31 of the report on internal audit activities in 2000 (E/ICEF/2001/AB/L.7). Among the many general statements in the report, the Committee notes in particular from paragraph 27 that "management practices in the majority of offices were found to be satisfactory". In the Committee's opinion, the specific facts that led to this and to the other general conclusions in the report should be disclosed fully in future to enable the Executive Board to evaluate the performance and accountability of the audited organizational entity concerned (see also paragraph 38 below).

34. The offices and divisions grouped under the management and administration budget are discussed in paragraphs 95-129 of the budget document. The total proposed budget for management and administration is $193.1 million, showing an increase of 3.4 per cent, as compared with the approved budget of $186.8 for 2000-2001 (see E/ICEF/2001/AB/L.10, summary table 1).

35. The Advisory Committee notes that one additional P-2 post is requested for the Office of the Executive Director to regularize the functions performed through temporary assistance. The Committee has no objection to this request.

36. With regard to the Evaluation Office, the Advisory Committee recalls its comments in paragraph 29 of its report of 23 August 1999 (E/ICEF/1999/AB/L.10). The Committee notes that the provision of funds has been also been made in the programme budget under regular resources in order to conduct the evaluations mentioned in paragraph 99 of the budget document. The Committee requests that, in future, the document include workload information of the Evaluation Office, such as how many evaluations have been completed in the previous biennium and how many are planned for the period of the biennial budget, as well as a clear indication as to how UNICEF takes into account the evaluation findings.

37. The Advisory Committee notes the new structure of the Division of Policy and Planning, comprising a Global Policy Section, a Strategic Information Section, a Programme Guidance and Quality Assurance Section and a Strategic Planning Unit. The Committee notes from paragraph 103 (d) that two P-5 posts would be

reclassified to the D-1 level, for the chiefs of the Strategic Information Section and of the Global Policy Section. On the basis of the information provided, the Committee is not convinced that these two reclassifications from the P-5 to D-1 level are warranted and recommends against their approval.

38. Paragraphs 104-105 of the budget document discuss the requirements of the Office of Internal Audit for 2002-2003. The Committee notes that the total number of 20 posts has remained the same, with a budget of $6.6 million, as in the last biennium. The Committee is of the view that internal audit is one of the means by which Member States, through the Executive Board, would hold the UNICEF administration accountable for performance and results. To this end, the Committee suggests that, in future, the contents of the report should move away from general statements of conclusions such as "very few offices were found to have high levels of unliquidated cash assistance" or that "several audits found that quality shortcomings were related to counterparts' limited understanding of UNICEF procedures and expectations" (E/ICEF/2001/AB/L.7, paras. 22 and 25). The Committee stresses that the report should, on the one hand, indicate the specific findings of facts that lead to the stated conclusions and, on the other, provide information on specific actions taken to remedy shortcomings identified through audit (see also paragraph 33 above).

39. The Advisory Committee was informed that the present procedure is to have all UNICEF offices audited once on an average of three to four years. The larger offices are audited more frequently. The Committee requests that the adequacy of this should be reviewed and, if necessary, more resources should be provided for internal audit. The Committee also urges that at all times efforts should be made to ensure full incumbency of the staff positions authorized for internal audit.

40. The proposed budget for IT activities of UNICEF amounts to $50 million for the biennium 2002-2003, comprising $45.6 million for ITD and $4.4 million for computer equipment outside New York. For 2000-2001, the approved budget amounted to $47.3 million ($37.4 million for ITD and $9.9 million for field requirements) (see E/ICEF/2001/AB/L.10, para. 124 and table 11). The major changes affecting the IT budget are summarized in paragraph 123 of the budget document. Upon request, the Committee was provided with a summary table of main IT activities completed in 2000-2001 and planned for 2002-2003 and 2004 and beyond (see annex II to this report).

41. The Advisory Committee notes from paragraphs 128-129 of the budget document the proposed changes in staffing of ITD. The total number of ITD posts proposed for 2002-2003 amount to 105 (74 Professional and 31 General Service), as compared with 74 posts (49 Professional and 25 General Service) for 2000-2001, reflecting an increase of 31 posts (25 Professional and 6 General Service) (see also E/ICEF/2001/AB/L.10, summary table III). The proposal for ITD posts for 2002-2003 includes the conversion of 25 full-time consultants and temporary staff (19 Professional and 6 General Service) to regular posts, 3 new Professional posts for new projects and the addition of 3 Professional posts, currently funded by PSD.

42. The Advisory Committee recalls that for the 2000-2001 support budget, it was also proposed to include the conversion of 25 consultant positions to regular posts in the support budget, to a total of 74 posts and 74.5 full-time temporary staff (148.5 full-time persons) (E/ICEF/1999/AB/L.10, para. 34). In the biennium 1998-1999, ITD had 49 posts and 113 full-time consultants (162 full-time persons)

(E/ICEF/1999/AB/L.7, para. 94). The Committee was informed that for the biennium 2002-2003, ITD full-time persons would include 105 posts in the support budget and 63 consultant positions. The Committee questions the practice of funding continuing functions this way.

Annex I

Estimated projection for 2000-2001 as compared with the approved appropriation

(In thousands of United States dollars)

	Estimated projection for 2000-2001	Approved appropriation	Estimated unencumbered balances
A. Programme support			
1. Country and regional offices			
Posts	176501.0	193100.4	16599.4
Other staff costs	8237.4	8383.5	146.1
Consultants	2464.1	1652.9	(811.2)
Travel	12829.9	12166.8	(663.1)
Operating expenses	46098.4	53545.5	7447.1
Furniture and equipment	7178.4	6391.7	(786.7)
Reimbursements	3266.6	3876.0	609.4
Subtotal	256575.8	279116.8	22541.0
2. Headquarters			
Posts	48495.5	53268.3	4772.8
Other staff costs	5546.2	5668.8	122.6
Consultants	147.0	419.6	272.6
Travel	2629.9	2972.4	342.5
Operating expenses	11985.8	13843.2	1857.4
Furniture and equipment	1730.7	1554.8	(175.9)
Reimbursements	1946.9	1901.3	(45.6)
Subtotal	72482.0	79628.4	7146.4
Subtotal - Programme support	329057.8	358745.2	29687.4
B. Management and administration of organization			
Posts	112939.3	117992.5	5053.2
Other staff costs	9386.9	10559.6	1172.7
Consultants	1953.7	2201.7	248.0
Travel	5524.6	5833.9	309.3
Operating expenses	32783.3	35201.3	2418.0
Furniture and equipment	9458.9	5744.9	(3714.0)
Reimbursements	9625.8	9234.6	(391.2)
Subtotal: Management and admin	181672.5	186768.5	4896.0
TOTAL			
Posts	337935.8	364361.2	26425.4
Other staff costs	23170.5	24611.9	1441.4
Consultants	4564.8	4274.2	(290.6)
Travel	20984.4	20973.1	(11.3)
Operating expenses	90867.5	102590.0	11722.5
Furniture and equipment	18368.0	13691.4	(4676.6)
Reimbursements	14838.3	15011.9	173.6
TOTAL GROSS BUDGET ESTIMATES	511329.3	545513.7	34184.4
Estimated income			
Recovery	(24000.0)	(38000.0)	14000.0
Warehouse	(2075.9)	(2850.0)	774.1
Other	(2004.6)	(1410.0)	(594.6)
Reimbursement of taxes	(14428.9)	(20245.6)	5816.7
Estimated income	(42509.4)	(62505.6)	19996.2
TOTAL NET BUDGET ESTIMATES	468819.9	483008.1	14188.2

a/ Purchase of extra furniture for security telecom and increase of posts in corporate offices.

Annex II

Main information technology activities completed in 2000-2001 and planned for 2002-2003 and 2004 and beyond

		Future	
Activity	**Completed 2000-2001**	**Budgeted in 2002-2003**	**2004 and beyond**
Programme Manager System (ProMS)	ProMS fully rolled out and functional in all field locations. Human resources management functional in all locations, and payroll module in about one half of locations.	Ongoing maintenance and enhancements. Completion of roll out of payroll module.	As will be defined during internal reviews of strategic options as a part of the budget process.
Financial and Logistics System (FLS)	Fully functional in HQs locations. Upgrades to more current versions achieved in 2000 and 2001.	Upgrade to most current version. Ongoing maintenance and simplification in line with business process simplification.	As will be defined during internal reviews of strategic options as a part of the budget process.
		Archiving of applications (new project).	As will be defined during internal reviews of strategic options as a part of the budget process.
Integrated Management Information System/Human Resources (IMIS/HR)	Payroll scheduled for completion by end 2001.	Ongoing support from other resources – project to move from IMIS to Systems, Applications and Products (SAP/HR).	As will be defined during internal reviews of strategic options as a part of the budget process.
Internet and Intranet (and Extranet)	Ongoing functional extensions.	Ongoing functional extensions.	As will be defined during internal reviews of strategic options as a part of the budget process.
Customer and end-user support	Global service centre structured.	Global service centre supported by enterprise management (EM) processes and tools.	As will be defined during internal reviews of strategic options as a part of the budget process.
Global network connectivity	In progress - Global virtual private network 70% completed.	Ongoing completion, monitoring and implementation of new services/applications/ bandwidth.	As will be defined during internal reviews of strategic options as a part of the budget process.
Information technology security and disaster recovery	Manually achieved through stringent policy and practices and reallocation of funds (following 11 September).	IT Security Unit established in budget.	As will be defined during internal reviews of strategic options as a part of the budget process.
Infrastructure and EM	Phase I on help desk consolidation and use of IT operations tools completed. Phase II rolling out EM to field offices initiated.	Ongoing implementation of Phase II.	As will be defined during internal reviews of strategic options as a part of the budget process.